

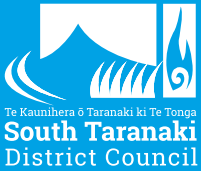
Rārangi take Kaunihera Whanokē

Extraordinary Council Agenda

Purpose to adopt the consultation document for the
2021-2031 Long Term Plan

Monday 22 March 2021, 4pm
Council Chambers, Albion Street, Hāwera





Pūrongo Whaitikanga Governance Information

Ngā Mema o te Komiti / Committee Members



Phil Nixon
Mayor



Robert Northcott
Deputy Mayor



Andy Beccard
Councillor



Mark Bellringer
Councillor



Gary Brown
Councillor



Celine Filbee
Councillor



Aaron Langton
Councillor



Steffy Mackay
Councillor



Jack Rangiwahia
Councillor



Diana Reid
Councillor



Bryan Roach
Councillor



Brian Rook
Councillor



Chris Young
Councillor

Apatono / Delegations

The Full Council's role is to carry out responsibilities under the Local Government Act 2002. It is the final decision-making authority within the Council and generally ratifies recommendations made by other committees. It is made up of all Councillors and the Mayor.

Powers that cannot be delegated

The powers that cannot be delegated by the Council are:

- (a) the power to make a rate
- (b) the power to make a bylaw
- (c) the power to borrow money, or purchase or dispose

He Karere Haumaru / Health and Safety Message

In the event of an emergency, please follow the instructions of Council staff.

If there is an earthquake – drop, cover and hold where possible. Please remain where you are until further instruction is given.

of assets, other than in accordance with the long-term plan

(d) the power to adopt a long-term plan, annual plan or annual report

(e) the power to appoint a chief executive

(f) the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the Local Governance Statement.

(g) the power to adopt a remuneration and employment policy

He Pānga Whakararu / Conflicts of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they might have.



Rārangi Agenda

Extraordinary Council Meeting

Monday 22 March 2021 at 4 pm

Purpose to adopt the consultation document for the 2021-2031 Long Term Plan

1. **Matakore / Apologies**
2. **Whakatakoto Kaupapa Whānui, Whakaaturanga hoki / Open Forum and Presentations**
3. **Pūrongo / Reports**
 - 3.1 [Adopt Consultation Document and 2021-2031 Long Term Plan Working Document](#) Page 5



Matakore Apologies

Leave of Absence: *The Council may grant a member leave of absence following an application from that member. Leave of absences will be held in the Public Excluded section of the meeting.*



Pūrongo Report

To	Extraordinary Council
From	Kaihautū Kaupapa Here me te Whaitikanga / Policy and Governance Manager, Becky Wolland
Date	22 March 2021
Subject	Adopt Consultation Document and 2021-2031 Long Term Plan Working Document

(This report shall not be construed as policy until adopted by full Council)

Whakarāpopoto Kāhui Kahika / Executive Summary

1. The purpose of this report is to present the 2021-2031 Long Term Plan (LTP) Consultation Document (CD) for adoption, attached as [Appendix 1](#). The CD is the basis of the Council's LTP consultation with the public and must be audited and adopted by the Council before being released to the public. This report provides the text information only for the CD.
2. Before adopting the CD, the Council must adopt the information that the CD relies on. Much of that information was adopted on 1 March 2021 and prior meetings, however a number of changes have been made to the Financial Strategy, Infrastructure Strategy, Forecasting Assumptions and the financials as a result of the Audit.
3. Other supporting information for the 2021-2031 Long Term Plan includes; the Town Centre Master Plans which were adopted on 9 October 2019; the Environment and Sustainability Strategy which was adopted on 30 November 2020; and the South Taranaki Business Park which was adopted on 7 September 2020.
4. All supporting information will be available on the Council's website during consultation.
5. This report also provides an outline of the next steps for the LTP consultation.

Taunakitanga / Recommendation(s)

THAT the Council;

- a) Adopts the supporting information for the 2021-2031 Long Term Plan ([working document – Appendix 2](#)), to be publicly available during the Special Consultative Procedure in accordance with Sections 93G, 101A, 101B, 102 and Schedule 10 of the Local Government Act 2002.
- b) Adopts the Consultation Document ([Appendix 1](#)), in accordance with Sections 83, 93 and 93A of the Local Government Act 2002, as the basis for public consultation on the 2021-2031 Long Term Plan.

Kupu Whakamārama / Background

6. The Council is required to develop and adopt an LTP every three years under the Local Government Act (LGA) 2002. The LGA 2002 also sets out the requirements for the content, consultation process and auditing of the LTP.
7. Section 93B of the LGA 2002 sets out the purpose of the CD which is to provide a fair representation of the matters that are proposed in the LTP. It presents these in a way that explains the overall objectives of the proposals and describes how rates, debt and levels of service might be affected. It also describes the significant and other important issues and choices facing the Council and the consequences of those choices. It is a requirement that these can be readily understood by interested or affected people.
8. Before adopting the CD the Council must adopt the information that the CD relies on (section 93G of the LGA 2002). There have been a series of Council workshops where all the LTP documents have been reviewed. The Council adopted the LTP supporting information on 1 March 2021.
9. However, there have been a number of changes to the LTP supporting information as a result of the audit process that has occurred since 15 February 2021.

Consultation Document

10. The CD has been prepared based on the supporting information for the LTP and other documents that the Council have adopted including the Town Centre Master Plans; Environment and Sustainability Strategy; and information on the South Taranaki Business Park. It has also been reviewed by the Office of the Auditor General and approved by Audit New Zealand.
11. The final CD is attached to this agenda with the changes made by the Auditors. The Auditors' Report will be tabled at the meeting.

Local Government Purpose

12. The adoption of the CD fits with the purpose of Local Government as it enables democratic local decision-making and action by, and on behalf of the South Taranaki Community. The 2021-2031 LTP and CD aligns with the four well-beings and promotes social, economic, environmental, and cultural well-being for our Community in the present and for the future.

Ngā Kōwhiringa / Options – Identification and analysis

Option(s) available

13. The Council choose to adopt the 2021-2031 LTP (working document) and CD with or without amendments.
14. The Council may choose not to adopt the 2021-2031 LTP (working document) and CD. However, the adoption of the CD is a statutory requirement and if the CD is not adopted at

this meeting consultation with the community will not be able to be undertaken during the period planned, 31 March to 17 May 2021.

Whaiwhakaaro me ngā aromatawai / Considerations and Assessments

15. South Taranaki District Council’s general approach to determining the level of “significance” will be to consider:

Criteria	Measure	Assessment
Degree	The number of residents and ratepayers affected and the degree to which they are affected by the decision or proposal.	All residents and ratepayers will be affected by the proposed 2021-2031 LTP and CD as it sets the budget for the next ten years.
LOS	The achievement of, or ability to achieve, the Council’s stated levels of service as set out in the Long Term Plan 2018-2028.	The 2021-2031 LTP and CD sets out the proposed levels of service for the next ten years.
Decision	Whether this type of decision, proposal or issue has a history of generating wide public interest within South Taranaki.	The development and adoption of the Long Term Plan has generated public interest in the past.
Financial	The impact of the decision or proposal on the Council’s overall budget or included in an approved Long Term Plan and its ability to carry out its existing or proposed functions and activities now and in the future.	The proposed 2021-2031 LTP and CD as it sets the budget for the next ten years and will affect how the Council carries out existing and proposed functions and activities.
Reversible	The degree to which the decision or proposal is reversible.	The decision to adopt the proposed 2021-2031 LTP and CD is not reversible and will initiate consultation with the South Taranaki Community.

16. In terms of the Council’s Significance and Engagement Policy this matter is of high significance.
17. The level to which the Council will engage will align with the significance of the decision to be made and will be to consult.

Level	Goal	Outcome
Consult	To obtain public feedback on analysis, alternatives and/or decisions.	The adoption of the CD will initiate a special consultative process with the South Taranaki Community.

Legislative Considerations

18. The preparation of the information supporting the CD and the adoption of the CD are statutory requirements under Sections 83, 93 and 93A of the LGA 2002.

Financial/Budget Considerations

19. The financial implications of the proposals for the LTP are contained in the CD and supporting information. The development of the LTP sets the proposed budgets and associated rates impact for the following ten years. The costs associated with the development of the LTP are included within current budgets. The proposed fees and charges for the 2021/22 year are available for public consultation alongside the CD.

Consistency with Plans/Policies/Community Outcomes

20. The approval of the CD is consistent with the Council's strategic direction and previous Council policies. The development of the LTP defines the Council's planning for the next ten years.
21. These policies and information are in alignment with the Council's Community Outcomes which include; Vibrant South Taranaki; Together South Taranaki; Prosperous South Taranaki; and Sustainable South Taranaki.

Impact on Māori/Iwi

22. The CD and supporting policies and information will impact on Māori. These documents will be highlighted to the Iwi Liaison Committee as part of the engagement process for the 2021-2031 LTP. Iwi and hapū groups, along with the Rūnanga are being contacted and will be included in the schedule of community meetings.

Whakakapia / Conclusion

23. This report seeks the Council's adoption of the CD to be released for public consultation. The LTP supporting information has been through an approval process by the Council and has also undergone an audit process and will be available to the public during the consultation process. This forms part of a process of developing and adopting a final LTP by 30 June 2021.



Becky Wolland

**Kaihautu Kaupapa Here me te Whatikanga /
Policy and Governance Manager**



[Seen by]

Marianne Archibald

**Kaiarataki Tōpūranga /
Group Manager Corporate Services**

APPENDIX 1

South Taranaki District Council

2021 – 2031 Proposed Long Term Plan – Consultation Document

South Taranaki the most Liveable District

Te Takiwaa Hiihiri

Mihi

(Contents type page – cannot complete until the document is designed so page numbers match)

Making South Taranaki the most liveable district

We live in one of the best places in the world and our vision is to continue to build on our many strengths to make *South Taranaki the most liveable District*.

In 2019 we asked you what you wanted to see for the future of South Taranaki. You told us you wanted us to encourage growth and vibrancy in our towns, take good care of our natural environment, develop our relationship with Māori and ensure our infrastructure continues to meet the community's needs. Over the past decade we've focussed on upgrading the District's water infrastructure, key community facilities and implementing projects to make South Taranaki a desirable place to live and do business. We now have a much-improved water network and, since our last Long Term Plan three years ago, we have progressed the Hāwera Town Centre redevelopment, Te Ramanui o Ruapūtahanga and the Nukumarū Station Road extension projects.

The key challenges we face over the next ten years are how we:

- Support economic growth, especially after COVID-19
- Minimise the impacts of Climate Change
- Manage our environmental sustainability requirements, including how we pay for the rising costs related to meeting new environmental legislation
- Manage our debt while ensuring we complete our planned capital works programme

To meet these challenges and work towards our vision, our focus for the next ten years is to:

- Complete key projects from our last Long Term Plan
- Continue to upgrade our water, wastewater and stormwater infrastructure with a focus on wastewater
- Increase our spend on roading
- Carry out our environment and sustainability strategy
- Create the conditions that encourage sustainable economic growth in the right places, with development of the South Taranaki Business Park, the Western Hāwera Structure Plan and town centre upgrades for Manaia, Eltham, Ōpunakē, Pātea and Waverley.

At the same time we know we **need to keep rates at an affordable level**, so we are proposing to fund our key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, as well as through rates.

With an **average rate increase of 3.99%** over the next ten years, we believe our proposed Long Term Plan strikes the right balance between progress, affordability and providing the services and facilities our communities expect. **But we want to know what you think.**

We want to make the best decisions we can for the future of South Taranaki and your feedback will help us do that.

Phil Nixon, South Taranaki Mayor/ Waid Crockett, STDC Chief Executive (include Te Reo titles)

What is this document all about?

This **Consultation Document** covers the key issues and proposals in our 2021-2031 Long Term Plan, including the main projects and services we intend to carry out and the impact on your rates over the next ten years. It's important because it provides an opportunity for you to have your say on the services we provide and the rates we pay.

Where can I find more information ?

To view the detailed supporting information, please contact us toll free 0800 111 323, call into any one of our LibraryPlus centres or visit www.southtaranaki.com

What services do we provide?/What do we do? (can we do a map?)

Community Facilities - 7 Campgrounds, 7 Swimming Pools, 9 Urban Halls (plus financial support to 34 Rural Halls), TSB Hub, financial support to Cinema 2, the Sandfords Event Centre and the Ōpunakē Community Baths, 38 Playgrounds and 220 hectares of parks/reserves , 36 Public Toilets, 10 Cemeteries

Arts and Culture – 7 Libraries, and partnership with the District Museum – Aotea Utanganui

Economic Development, Tourism and Events Services including the i-SITE Information Centre

Waste – Rubbish, Recycling and Greenwaste Collection, 7 Transfer Stations, 8 Wastewater Treatment Plants and 188 km of pipes

Water - 641 km of pipes, 10 Water Treatment Facilities and 37 Reservoirs

96 km of **Stormwater** pipes

63 **Pensioner Housing** units and three tenant contribution units

Roading - 1,634 km of roads that we construct and maintain (84% sealed), 229 bridges, 2,252 streetlights and over 163 km footpaths

Building Control and Planning Services

Licensing (Alcohol & Gambling), Regulation Monitoring, Noise Control, Parking Control, Animal Services and Environmental Health

Civil Defence and Emergency Management

We do all this in a District with a population of approximately **28,700** (around 14,800 rateable properties) in **7 small towns** spread over a large geographic area (**362,000 hectares**).

Comparison of NZ Average Weekly Household Spending

When compared to what the average household spends per week, we believe the rates we pay for the services and facilities we receive represents good value for money .

Insert Information from Statistics NZ June 2019 3 Yearly household economic survey

Our Vision and Community Priorities

Our purpose is to promote the social, economic, cultural and environmental well-being of our communities now and into the future. To help us achieve these well-beings we have developed a Vision, Community Outcomes and Priorities for our District for the next ten years.

Our Vision is to **make South Taranaki the most liveable District.**

Our **Community Outcomes** are grouped under four main headings and align with the well-beings.

Vibrant South Taranaki/Cultural well-being – a vibrant and creative District that celebrates diversity and has with strong connections with iwi/hapū.

Together South Taranaki/Social well-being – A District with healthy, safe, resilient, informed and connected people.

Prosperous South Taranaki/Economic well-being – A prosperous District with a sustainable economy, innovative businesses and high-quality infrastructure.

Sustainable South Taranaki/Environmental well-being – A sustainable District that manages its resources in a way that preserves the environment for future generations.

In 2018 and 2019 we undertook an extensive visioning exercise with our communities, asking our residents what they wanted to see for the future of South Taranaki. The feedback we received from this exercise was the basis for developing ten **Community Priorities**.

1. Innovative and updated community facilities and services across the district
2. Community and Cultural events, activities and entertainment, particularly for youth
3. Cycleways and pathways for residents and **visitors**
4. Revitalise town centres
5. Stronger economic growth with more innovation, ideas, training opportunities and jobs
6. Improve and maintain roads and footpaths
7. Reliable and safe water supply, wastewater and stormwater
8. Strong relationships with Iwi and Hāpu
9. Actively engage with the community particularly the youth
10. Our environment and most valued landscape features are protected

The projects, activities and services in our Long Term Plan all support our Vision, Outcomes/Well-beings and Community Priorities.

(insert diagram showing connection of the above)

Key actions to achieve our community priorities, outcomes and vision

Vibrant South Taranaki – Outcome

Cultural Well-being

Community priorities (1,2,3 and 4)

- Develop an Iwi-Council Partnership Strategy.
- Support the **Rotokare Scenic Reserve Trust** with a \$60,000 annual grant.
- Maintain the **Patea Moles**.
- Continue work on earthquake strengthening and upgrades to Eltham Town Hall.
- Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex.
- Complete Te Ramanui o Ruapūtahanga, South Taranaki’s new Library, Culture and Arts Centre.
- Provide more resources in the Parks Team in Year 4 so we can increase the level of service we provide for the maintenance of parks and gardens across the District (\$324,000 pa).
- Budget \$1.4 million to upgrade Council owned earthquake prone buildings.
- Continue to hold community events across the District such as Arts in the Park, Sounds on the Sand, Movies in the Park, Elektra.

Te Ramanui o Ruapūtahanga, South Taranaki’s new Library, Culture and Arts Centre is one of the Hāwera Town Centre revitalisation anchor projects which will also help the District's post COVID-19 recovery. It will bring more foot traffic, visitors and vibrancy to the CBD as well as provide enhanced community services, create jobs and improve connectivity for both residents and visitors to the District.

The \$8 million (estimated) centre combines a number of facilities on one site; including a library, meeting rooms, public toilets, art gallery, the i-SITE information centre and café.

We have received \$4 million from the Government for the project and \$2.8 million from TSB Community Trust. The Council’s contribution is being loan-funded. Earnings from the Long-Term Investment Fund (LTIF) will be used to repay the loan over a number of years so there is **no impact on rates to fund this development**.

Prosperous South Taranaki – Outcome

Economic Well-being

Community priorities (4,5,6 and 7)

- Develop the **South Taranaki Business Park** (see more information on page XX).
- Undertake **town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham**. (see more information on page XX).
- Complete the **Nukumaru Station Road** extension project.
- Install water, wastewater and stormwater infrastructure for residential growth in the western Hāwera zone.
- Provide assistance to owners of commercial earthquake prone buildings.
- Collaborate with key organisations to develop a District Business Innovation and Enterprise Hub. Based initially in Hāwera, with the potential to expand to other towns, this initiative aims to support social and economic growth by providing a range of services such as co-working spaces, enterprise incubation, seed funding, training and events. The aim is to grow entrepreneurial activity and create a vibrant and connected business start-up community in South Taranaki.
- **Subsidise rates** on average by \$6.5 million pa using earnings from the Long Term Investment Fund (see more on page XX).
- Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, rather than through rates.
- Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.
- Continue work on the Hāwera town centre upgrades.

Town Centre Upgrades for Pātea, Waverley, Manaia, Ōpunakē and Eltham

Over the next 10 years we have budgeted \$10.6 million to complete town upgrade projects in Pātea, Waverley, Manaia, Ōpunakē and Eltham. The projects will focus on main street public safety and amenity, wayfinding/storytelling, public art, pathways, and entranceway improvements. We are proposing to fund this work from the Long-Term Investment Fund’s fluctuation reserve. These upgrades are one of the topics we would like your feedback on. You can read about this proposal in more detail on pages XX.

Sustainable South Taranaki

Environmental Well-being

Community priorities (7 and 10)

- Implement our **Environment & Sustainability Strategy** which includes projects such as planting and restoring native species on Council owned properties, mapping and protecting the District's indigenous vegetation, developing an energy and **carbon reduction plan** and a **District climate change adaptation plan** to minimise the impact climate related events will have on South Taranaki (see more information on page **xx**).
- **Reduce the total amount of waste going to landfill by 5%** by 2023 through waste minimisation activities.
- **Improve our water and wastewater infrastructure** by reducing water loss (leakage) within our water networks and reducing water entering our wastewater networks (sewers).
- **Build new reservoirs** for the Waimate West, Ōpunakē, Waverley and Rāhotu water supplies.
- Find and **develop new water sources** for the Kāpuni, Eltham and Waverley water supplies.
- **Upgrade our wastewater network** and build new tertiary wastewater treatment plants for Waverley, Hāwera, Pātea, Kaponga and Manaia waste water treatment plants. See more information on page **xx**.

Together South Taranaki

Social Well-being

Community priorities (3,6,7, 8 and 9)

- Complete water treatment enhancement and water pressure improvements in Pātea (\$3.2 million).
- Spend an average of \$31.6 million pa on the road network, including an average annual spend of \$920,000 on footpaths and \$750,000 each year for upgrading our bridges.
- Upgrade Waverley Swimming Pool (\$224,000) in 2023/24.
- Complete the District Pathways Programme including building a pathway from Waverley to the beach (\$690,000).
- Replace Ōhawe toilets in 2022 to 24 (\$130,000) and Pātea toilets in 2024 to 26 (\$360,000).
- Replace the Ōpunakē Beach retaining wall in 2021/22 (\$212k).
- Undertake a **digital transformation** programme to replace our ageing digital infrastructure with more modern and efficient systems, so we can work more efficiently and our customers can connect and do business with us easily (\$3.2 million over five years).

Hāwera Town Centre Upgrades

A key project we have been working on has been revitalising the Hāwera town centre to encourage vibrancy and economic growth. Good progress has been made with Campbell and Korimako Lanes both complete, the Nelson Street precinct finished and Te Ramanui o Ruapūtahanga underway. Over years 3-10 of our Long Term Plan we will continue this work, undertaking the streetscape refurbishment (e.g. bollards and streetlights) and developing a laneway from the Napier Street carpark to Union Street. This work (\$4.65 million) is being funded from the Long Term Investment Fund's fluctuation reserve.

The budgets for all these key projects have been included in the rates projections outlined on **pages xxx**.

Nukumarū Station Road Extension Project

As a result of flooding in 2015, the Limeworks Bridge, the only access to the Waiinu Beach community and Silver Fern Farms (Waitōtara) Food Processing Company, was severely damaged. The bridge was repaired, but because the river is prone to flooding, the chances of it being washed out again are high. To have a secure permanent alternate access to the Beach community, the Waitōtara Freezing Works and other industries (such as forestry and quarrying), we are building a new road to connect with Nukumarū Station Road. The cost of the road is \$10.1 million. Of this \$7 million is being funded by the Government, \$1.2 million from the New Zealand Transport Agency and the remaining \$2 million is coming from the Council).

Money Matters – our Financial Strategy

Our proposed Long Term Plan includes a detailed Financial Strategy that explains how we plan to pay for our services and activities over the next ten years.

The key priorities in our Financial Strategy are to:

- Effectively manage our resources while meeting new water and wastewater standards set by the Government
- Encourage sustainable growth in the District
- Effectively manage our debt and pay down debt in the long term
- Keep rates affordable
- Improve our environmental sustainability

We will achieve these priorities by:

1. Careful borrowing and management of our debt
2. Effectively managing our Long Term Investment Fund including using earnings from the Fund to subsidise rates and pay for specific projects
3. Limiting the average total rate increase to a 4.75% cap (the Local Government Cost index ten year average of 2.75% plus 2% for growth)*
4. Finding efficiencies and cost savings through shared services with other Taranaki councils
5. Seeking partnerships with external organisations to access funding where it is available
6. Using financial contributions to help fund growth related projects

**Note: We go over our cap once, in Year 4 of our Long Term Plan, when we propose to increase the level of service we provide for the maintenance of parks and gardens across the District.*

Careful Borrowing - Using Debt to Fund Key Infrastructure

Over the last 15 years we have invested \$312 million renewing and upgrading the District's key infrastructure (including roads) and facilities. Much of this work was done to meet new Government standards or to replace old facilities. This work has been mostly funded by taking out loans that are paid back over a number of years. We take out loans (borrow) for building infrastructure and facilities so the costs are spread over the lifetime of that asset (around 25 – 50 years). This means current and future generations, who will also use and benefit from it, contribute their fair share of the loan repayments – we call this 'intergenerational equity'.

All Debt and Long Term Investment Fund figures in this document include the Council's internal borrowing.

Managing our Debt

We have debt as a result of investing in the District's infrastructure (see page xx for more about this). We could pay off all our debt using our investments, however it's more sensible to borrow money to fund infrastructural projects because the money we make on our investments is greater than the cost of paying back our loans (particularly while interest rates are low). This approach also supports intergenerational equity.

Our total debt as at 30 June 2021 is projected to be \$130.3 million (including \$16.9 million in internal borrowings). Over the next ten years we plan to make about \$66 million (including \$12.4 million in internal loan repayments) in loan repayments and raise about \$95.6 million in new loans. Debt is projected to

peak at \$166.2 million (made up of \$158.5 million external and \$7.7 million internal debt) in 2027/28 then begin to decrease after that so by 2031 it is expected to be \$ 159.9 million (\$155.4 million external and \$4.5 million internal debt).

To make sure we don't get into a situation of having too much debt, we have some firm rules and limits on how much we can have. Some of these limits are that:

- Net debt per capita is less than \$2,000
- Net debt is less than 150% of total income
- Net interest expenses are less than 15% of total income
- Net interest expenditure is less than 25% of total rates

We stay well within these limits over the next ten years.

Council Investments = Zero Net Debt

As well as having debt, we also have a lot of investments. So while our debt at 30 June 2020 was \$134 million (including \$16.0 million in internal borrowings) we had \$144.6 million worth of investments (including \$16.0 million in internal borrowings). This means our **net debt** (the amount of debt we have after subtracting investments) was **zero**.

When debt is projected to peak at \$166.2 million in 2027/28 our Long Term Investment Fund is forecast to be at \$159.1 million. So our net debt would be \$7.1 million. However, after 2027/28 our debt levels are projected to decline so that by 2030/31 our debt will be \$159.9 million while our investments are forecast to be \$165.9 million and we will be in a zero net debt position again.

The Long Term Investment Fund (LTIF)

Quick Facts

- Current Value - \$153 million (including \$18.3m in internal borrowings) at 31 January 2021.
- Projected value 2030/31 - \$165.9 million (including \$4.5 million in internal borrowings).
- Average gross return – 6.47%
- Since started, amount returned to community through rate subsidies and community projects - \$115 million

Our goal is to grow the Long Term Investment Fund (LTIF) so that annual returns are used (in order of priority) to:

- subsidise rates (by \$3.87 million)
- service interest and loan repayments for specific community projects (\$1.73 million)
- service interest and loan repayments for the Hāwera Town Centre Strategy and projects related to earthquake prone buildings (\$860,000 pa on average)
- maintain the Fund's real value
- build an investment fluctuation reserve
- earn an overall net return of 4% (after Inflation and Fees)

Over the next ten years, we plan to use returns from the LTIF to help pay for several of our priority projects. By using earnings from the LTIF instead of increasing rates, we are able to achieve our goals of growth, sustainability and affordability.

Thanks to the LTIF’s strong performance over the last 12 years we have also built up a healthy fluctuation reserve of \$32 million (a buffer for the years when the fund does not perform well). The fluctuation reserve is much bigger than it needs to be so we are also proposing to use some of it to fund our Pātea, Manaia, Ōpunakē, Eltham and Waverley town centre upgrades (\$10.6 million) and remaining Hāwera town centre upgrade (\$4.6 million). These projects benefit the whole District and using some of the fluctuation reserve instead of borrowing helps keep our debt within acceptable limits.

Over the next ten years the average annual drawdown from the LTIF for the rates subsidy and specific community projects is \$6.5 million. To be able to do this the LTIF needs to make an annual gross return of 4.2%. **Since the LTIF began in 1997 to June 2020 it has achieved an average gross return of 7.02%** and we are projecting the LTIF will achieve returns between 6.1% – 6.8% over the next ten years.

Like all investments the LTIF carries a degree of risk - investments are subject to market movements and returns are uncertain. The value can go down as well as up and sometimes you can be left with less money than when you started. The important thing is to look at the LTIF’s performance over the long term, and we are confident the LTIF will achieve its targets.

Council’s debt profile over the next 10 years compared to our Investment Fund – (this will be represented as line graph)

	Total Debt*	LTIF*
2022	146.6	154.1
2023	149.1	155.7
2024	152	155.6
2025	154.3	155.4
2026	150.9	156.7
2027	157.8	157.9
2028	166.2	159.1
2029	163	161.5
2030	161.0	163.9
2031	159.9	165.9

*These figures have been calculated including internal borrowing (for example in 2022, total debt is projected to be \$146.6 million which includes \$15.6 million of internal debt. In 2031, total debt is projected to be \$159.9 million, which includes \$4.5 million of internal debt) and after withdrawal of the annual drawdown for rates subsidy and specified community projects.

Financial Contributions, Shared Services and Partnerships with External Organisations

One of the tools we will use to help pay for new infrastructure is **financial contributions**. We are proposing to fund some of our growth related projects (for example the Business Park), by taking out loans that will be paid back over a number of years. Over time, we will receive financial contributions from the businesses and developers that want to use the new infrastructure. In this way 80% of the cost for three waters infrastructure and 70% of roading costs will be paid by financial contributions. This allows us to undertake growth projects that the private sector hasn’t the capacity for, with minimal impact on our ratepayers.

We are also committed to pursuing **‘Shared Services’** and **partnerships with external organisations** where we can achieve efficiencies and cost savings.

We are involved in about 50 Shared Service arrangements with the other Taranaki councils, ranging from library services to insurance, civil defence to purchasing vehicles. A good example of this collaborative approach is the Taranaki Regional Waste Collection Contract, which has resulted in cost savings to ratepayers.

Establishing effective partnerships (for example with central government, charitable organisations) to get external funds and receiving financial contributions from private developers is a key strategy for funding several of the projects we are proposing throughout this document.

To see a full copy of the Council's Financial Strategy go to www.southtaranaki.com

Managing Our Infrastructure

Along with our Financial Strategy we have an Infrastructure Strategy for managing the District's assets over the next 30 years (things like our roads, footpaths, pipes, reservoirs, treatment plants and community facilities).

Thanks to the work we've done over the last 15 years, our infrastructure is in pretty good shape. However, there are some key issues we face which include: **meeting new environmental legislation** requirements (for example the Government's freshwater reforms will introduce higher standards for doing things like taking water from our rivers and discharging wastewater to the environment), minimising the impacts of **climate change**, **improving our resilience** to more extreme weather events and **reducing waste** going to landfill.

Over the next ten years we're planning to maintain our current assets and service levels, improve our wastewater infrastructure, strengthen our resilience and encourage sustainable growth in the right places.

We will do this by focussing on:

- Reducing water loss (leakage) within our water networks and reducing water entering our wastewater networks (sewers). Doing this will also extend the lives of these assets and significantly delay the need for further, more costly, investment.
- Upgrading our wastewater networks and budgeting for tertiary treatment at our wastewater treatment plants.
- Finding new sources of water and building new reservoirs.
- Building the South Taranaki Business Park infrastructure.
- Installing water, wastewater and stormwater infrastructure for residential growth in the Hāwera western area.
- Completing existing projects such as Te Ramanui o Ruapūtahanga and the Nukumarū Station Road extension.

The money we have budgeted to spend on these areas over the next 10 years is significant, but most is needed as part of our day to day operation to make sure we meet existing (and upcoming) standards, service levels and resource consent limits (that is, it's not optional). Building the Business Park infrastructure is optional and is part of the Council's plan to encourage sustainable growth in the District. We are consulting on the Business Park, which you can read about on page **XX**.

One of our biggest challenges is whether we'll be able to complete all the capital work we've planned to do. Not completing our programme presents some risks. Continued delays could potentially result in increased costs, assets could fail before they've been upgraded or replaced risking the continuity and delivery of services; and there is the risk that we rate to fund programmes that can't be delivered in the budgeted timeframe.

To ensure we can complete our capital works programme, we've taken a number of steps including employing more project engineers, pre-purchasing material (e.g. pipes) and hiring external support for major projects. We also have in place a continuous monitoring programme of our critical infrastructure so, if required, we can prioritise our capital works programme to make sure we continue to meet our existing levels of service. While there are still a number of things we can't control (such as the availability of contractors), we don't consider the risks to be significant and are confident we will be able to deliver our programme with the measures we've put in place.

Projected infrastructure expenditure over next ten years (represent graphically)

Water –capital \$95.6m
 Operational \$147.1m
 Wastewater – capital \$63.1m
 Operational \$82.1m
 Stormwater – capital \$9.8m
 Operational - \$15.9m
 Solid Waste – capital \$1.2m
 Operational \$51.4m
 Roothing – capital \$104.7m
 Operational \$216.1m

Highlight that roading is our single largest expenditure activity by far

**The operational expenditure for these activities includes \$191.6 million of depreciation that will be used to fund \$143 million of renewals and \$33 million in loan repayments.*

Did you Know? 66% of our total operating expenditure and 85% of our capital expenditure is spent on our core infrastructure.

Below is a summary of the key infrastructure projects coming up over the next ten years. Most of these projects are required to meet current service levels and all have been included in our rate projections.

Summary of projects 2021-2031

Activity	Infrastructure Project	Est Cost	Year/s
Water Supply	Pātea, treatment and pressure improvements	\$3.2 million	2021/23
	New Eltham bore	\$1.6 million	2021/23
	Second Kāpuni bore	\$2.4 million	2023/25
	South Taranaki Business Park water main	\$1.8 million	2021/26
	Second Ōpunakē reservoir	\$1.9 million	2022/24

	Second reservoir for Waverley	\$600,000	2023/25
	Hāwera western residential growth/development	\$600,000	2023/27
	Waverley replacement bore	\$1.4 million	2025/26
	Waimate West Trunk main duplication	\$2.4 million	2025/26
	New Waimate West reservoir	\$8.9 million	2026/29
	Replace Rāhotu plant and reservoir	\$1.0m	2027/29
	Ōpunakē discolouration	\$800k	2027/28
	Normanby resilience	\$2.7 million	2027/29
	Renew District urban water pipes	\$26.8 million	2021/31
	Renewals in urban water treatment plants	\$3 million	2021/31
	Waimate West and Inaha water pipe renewals	\$15.3 million	2021/31
Roading	Bridge Replacement Programme – average one per year	\$8 million	2021/31
	Footpaths	\$8 million	2021/31
	Nukumarū Station Road Extension	\$10.1 million	2021/23
	South Taranaki Business Park roading	\$4 million	2021/27
	Total road renewals, resurfacing, upgrades and minor improvements	\$100 million	2021/31
Wastewater	South Taranaki Business Park wastewater	\$2.8 million	2021/27
	Hāwera western residential growth/development	\$1.2 million	2023/27
	Tertiary treatment Waverley WWTP	\$2.6 million	2023/25
	Tertiary treatment Hawera WWTP	\$25.3 million	2025/28
	Desludge Hāwera anerobic lagoon	\$1.9 million	2027/28
	Tertiary treatment Pātea, Kaponga, Manaia WWTP	\$9 million	2028/31
	Wastewater network upgrades and treatment renewals including Inflow and Infiltration.	\$12.7 million	2021/31
Stormwater	South Taranaki Business Park	\$3.8 million	2021/27
	Hāwera western residential growth/development	\$600,000	2023/27
	Renewals	\$3 million	2021/31

Below shows the major infrastructure projects we think are likely needed for years 2031 – 2051. Depending on demand, Government legislation and affordability, some of these projects may or may not proceed.

Summary of Projects 2031 - 2051

Activity	Project	Est Cost	Year/s
Coastal structure	Pātea wharf stabilisation	\$300,000	2031

Roading	Bridge Replacement Programme – average one per year	\$16 million	2031-51
Water Supply	Universal water metering	\$6 million	2032-34
	Waimate West pipework	\$20 million	2032-36
	Eltham sand filters	\$2 million	2036
	Urban pipe renewals	\$7 million	2036-40
	Kāpuni trunk main replacements	\$4 million	2039
	Ōpunakē reservoir	\$1 million	2040
Wastewater	Decommission Middleton Bay Outfall	\$500,000	2036
	Hāwera Outfall pumps	\$500,000	2037
	Various pipe bridges for water and wastewater	\$5 – 10 million	2040

Condition of Assets

The maintenance, renewal, and capital expenditure programme for the Council’s core assets is based on the information in our Asset Management Plans. This is the best information available to us about these assets. For most assets the information around age, type, and quantity is reliable. While information around condition has some limitations, we are continuously working to improve what we know about our assets, including their condition, how well they’re performing and their expected remaining life. We have less confidence in the information we have available about our stormwater pipes. However our ongoing stormwater inspection and condition assessment programmes will continue to improve our knowledge and as a result the future renewal programme, may be different to what is currently planned. This could also result in us having to spend unplanned money on fixing stormwater assets if they break unexpectedly.

Three Waters Reform

The Government has signalled a major change to the way our water, wastewater and stormwater services are delivered, called Three Waters Reform. This change includes the possibility of having a number of regional or multi-regional organisations that would be responsible for managing and delivering our water, wastewater and stormwater services, instead of individual councils. The final shape and way that would work is still to be determined. Our Council has opted into the first stage of the reform programme which provided us with \$5.4 million of Government funding for infrastructure improvements. Agreeing to be part of the first stage gives us an opportunity to participate in the design of what any water reform might look like in the future but doesn’t commit us to future phases of the reform programme. As we don’t yet know what the final details of the reform will be, we have continued to plan and budget to deliver these services in our Infrastructure Strategy.

To see a full copy of our 30 Year Infrastructure Strategy go to www.southtaranaki.com

Section II - Key issues and proposals for you to consider

Council's Environment and Sustainability Strategy

Outcome - Sustainable South Taranaki

Wellbeing - Environmental

Community Priority - Our environment and most valued landscape features are protected and Sustainably manage the natural and physical resources of the District for future generations

We would like your feedback on the key issues and actions in our **Environment & Sustainability Strategy**.

Environmental sustainability and climate change are important issues that affect the way we live, work and play in South Taranaki, both now and into the future. To meet these challenges and the legal requirements set by Government, we have developed an Environment and Sustainability Strategy that identifies the impact we have on our environment and looks at changes we can make to increase our sustainability.

The Strategy focusses on the areas where we believe we can have the greatest impact on our journey to become more environmentally sustainable in terms of **Environmental Protection, Climate Change and Waste Minimisation**. Implementing the **Strategy** will mostly be done with existing resources, however, there are some improvements in services and cost implications (detailed below) that we want your feedback on.

KEY ISSUES

Environmental Protection - South Taranaki's indigenous biodiversity and natural ecosystems are in decline. Along with other agencies we have a role to play in preserving and enhancing our biodiversity.

Climate change poses a significant risk to New Zealand's natural and built environment. In South Taranaki, this means an increased risk of coastal erosion and more extreme weather events resulting in flooding and damage to properties and infrastructure, more droughts and invasive pests affecting our natural ecosystems and agricultural systems. Adapting to and minimising the impacts of climate change is a big challenge we must face.

Waste Minimisation – New Zealand has one of the highest rates of waste production (per person) across the developed nations, and one of the lowest rates of reuse and recycling. Currently, 40% of the District's waste going to landfill is organic and compostable. Government and our communities want to see less waste produced and sent to landfill.

PROPOSAL

To introduce an **Environment and Sustainability Strategy** that includes the following actions:

1. Carry out a **Biodiversity Restoration Project** that supports planting and restoring native species on Council properties and reserves, particularly at sites where riparian planting (planting by stream/river banks) is required and/or where community restoration groups are actively working.
2. Identify, map and protect the District's remaining indigenous vegetation and ecosystems through a network of **Significant Natural Areas**.
3. Develop and implement an **energy and carbon reduction plan**, setting 3-yearly carbon budgets and carbon reduction pathways, so we are a carbon neutral organisation by 2035 (excluding biogenic methane and nitrous oxide).
4. Plant more trees on Council owned land and use these as **carbon sinks** (places that absorb more carbon than they release) **for offsetting our carbon emissions**.
5. Develop a **District Climate Change Adaptation Plan** to minimise the impacts that climate change related events will have on South Taranaki.
6. In partnership with Stratford and New Plymouth District Councils, investigate building a commercial composting facility in South Taranaki that will provide alternative local disposal options to reduce the amount of organic waste going to landfill.

COST

Implementing the **Environment and Sustainability Strategy** will cost on average \$213,000 each year over ten years and will be funded by a combination of rates and loans.

Environment and Sustainability Strategy		2021/22	2022/23	2023/24	Years 4 -10
Environmental Protection	1. Biodiversity Restoration Project	\$31,800	\$32,910	\$33,780	Total = \$266,190
	2. Significant Natural Areas Mapping			\$168,900	Yrs 4 and 5 only, total = \$586,500
Climate Change	3. Council Carbon Reduction Plan	\$31,800	\$32,910	\$33,780	Yrs 4-6 only, total = \$107,070
	4. Plant more trees and use these to offset carbon emissions	\$65,720	\$68,014	\$69,812	Total = \$550,126
	5. District-wide Climate Change Adaption Plan	\$79,500	\$82,275	\$84,450	Total = \$373,755
Waste Minimisation	6. Investigate building a commercial composting facility	<i>Funded by the Waste Minimisation Levy</i>			

OPTIONS and FUNDING

Option 1: The Council's preferred option is to fully fund the proposed Environment and Sustainability Strategy.

Cost	Funding	Impact on rates	Impact on debt
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On average \$213,000 each year for the next ten years	Combination of rates and loans	This would see an extra 1.0% added to District Rates, which would be an extra 24 cents a week for the average urban residential ratepayer (based on property value of \$350,000).	Overall debt would increase by \$1.9 million
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The Environment and Sustainability Strategy contributes towards our vision of making South Taranaki the most liveable District and supports our communities desire to see action on environmental and sustainability issues, which was identified in the Community visioning work we did in 2018 – 2019. Increasing the scale and pace of action across these areas will be hard but, done well, our actions can deliver broader environmental, economic, social and health benefits for everyone in South Taranaki.

Protecting and restoring South Taranaki’s ecosystems is crucial to achieving sustainability, improving the overall health of the environment and supporting our ability to recover from extreme events. For example, healthy, functioning wetlands provide protection from flooding, remove pollutants from water and absorb carbon from the atmosphere.

The climate change actions in the Strategy also help us to meet Government requirements in the Climate Change Response Act 2002 and recent changes to other environmental legislation relating to biodiversity and waterways. Planting mixed native forests on Council land throughout the District allows us to develop ‘carbon sinks’ for offsetting our emissions and provides us with an opportunity to create a long-term investment in the NZ Emissions Trading Scheme (with carbon credits) which could be used to fund future work.

Option 2 – Partially supports the Council’s proposed Environment and Sustainability Strategy with changes (please specify the changes you would like to see). We are required by law to undertake actions 1,2 and 5, but not, at this time, 3,4 and 6 (However, it is expected these, too, will be required by law within the next three years). We could leave actions 3,4 and 6 out of the Strategy, or a mixture of these, which would reduce the overall cost and impact on debt. For example:

Leave out action 3	Costs reduce from average of \$213,000 pa to \$190,000 pa	This would see 0.9% added to District Rates which would be an extra 21 cents a week*
Leave out action 4	Costs reduce from average of \$213,000 pa to \$160,000 pa	This would see 0.7% added to District Rates which would be an extra 18 cents a week*
Leave our actions 3 and 4	Costs reduce from average of \$213,000 pa to \$140,000 pa	This would see 0.6% added to District Rates which would be an extra 15 cents a week*

* average urban residential ratepayer (based on property value of \$350,000).

** action 6 is paid for by the Waste Minimisation Levy and has no impact on rates

Keep in mind that any changes will have some impact on rates, particularly if they require more resources.

Please tell us what you think. Give your feedback on page xx.

Supporting documents and links: This information is just a summary of the key matters in our Environment & Sustainability Strategy. To see the full document, go to your local LibraryPlus or visit www.southtaranaki.com

South Taranaki Business Park

Outcome - Prosperous South Taranaki

Wellbeing - Economic

Community Priority - Stronger economic growth

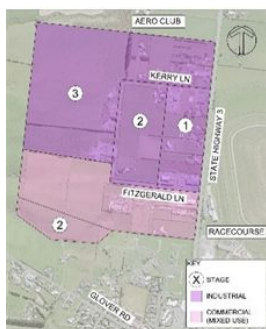
KEY ISSUES

Following the economic crisis caused by the COVID-19 global pandemic, Business and Economic Research Limited (BERL) has forecast economic growth in South Taranaki could decrease by around 8.5% over the next two years. It may take as long as ten years for the economy to fully recover. While South Taranaki has a stable economic and employment base, our reliance on the dairy, oil and gas sectors and on a handful of large employers also presents some risk.

A study in 2019 into the feasibility of developing a business park in the District found that, while there was considerable demand from new and existing businesses to establish and grow, there was a lack of industrial land available in the right locations, with the required infrastructure. The study identified the mixed-use area on Waihi Road (on the western side of SH3 in Hāwera) as the most suitable for development, although the existing infrastructure is inadequate with limited water supply, minimal stormwater infrastructure and roading improvements would be needed for safety and access. COVID-19 has also increased the demand for suitable commercial and industrial land with people looking more to the regions for lifestyle and employment options.

PROPOSAL

The Council proposes to develop a Business Park with the required infrastructure in the Waihi Road mixed use area. This would be done in three stages, meaning the cost of the infrastructure can be budgeted over several years and growth can be managed in a sustainable and planned way.



In order to secure a major new business within the area identified for the Business Park, in September 2020 the Council agreed to budget \$3 million to begin stage 1 for water, stormwater and roading infrastructure. This was funded by taking out a loan which will be recovered over time through financial contributions from the developers and potentially other funding sources such as central government. Stage 1 will service several sites between Kerry Lane and Fitzgerald Lane. Stages 2 and 3 will enable the Business Park to expand with the installation of more roading, water, wastewater and stormwater infrastructure for the rest of the designated area as demand requires. Building the Park in stages reduces risk and provides the flexibility to respond to opportunities as they arise. With the land being privately owned and suitably zoned, new businesses could be attracted anywhere within the Business Park at any time and it will be important to have the required infrastructure installed in a timely manner.

The proposed three stage approach for the development of the South Taranaki Business Park

COST

The cost to design and build all three stages of the Business Park over nine years is \$15 million. Stage 1, which is already underway is \$3 million, Stage 2 (2022-2024) would be \$6.3 million and Stage 3 (2025-2027) \$5.8 million.

The Business Park would initially be **funded by taking out a loan**. Over time, we will receive **financial contributions** from businesses establishing in the Park to help repay the loan. This means the impact on rates to fund the Business Park will be minimal.

OPTIONS AND FUNDING

Option 1: Complete all three stages

The **Council's preferred option** is to budget for designing and building the Business Park over the next nine years.

	Cost	Funding	Impact on rates	Impact on debt
Stage 1 (2021)	\$3m	Already underway		
Stage 2 (2022 - 2024)	\$6.3m	<i>Loan repaid largely by financial contributions from businesses, meaning that the impact on rates and debt will be minimal.</i>	This will add approximately \$88,000 pa in loan repayments or 0.2% of the total rate. This would be an extra 13 cents a week for the average urban residential ratepayer (based on property value of \$350,000).	\$1.6m increase in overall debt after receiving the financial contributions
Stage 3 (2025 – 2027)	\$5.8m	<i>Loan repaid largely by</i>	This will add approximately \$81,000 pa in loan	\$1.45m increase in

		<i>financial contributions from businesses, meaning that the impact on rates and debt will be minimal.</i>	repayments or 0.17% of the total rate. This would be an extra 11 cents a week for the average urban residential ratepayer (based on property value of \$350,000).	overall debt after receiving the financial contributions.
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The rating impact is based on receiving 80% financial contribution for three waters infrastructure and 70% financial contribution for roading. The rating impact is calculated on combined rates for urban water, wastewater, stormwater and roading rates.

Developing the Business Park is a key initiative designed to support post-COVID-19 economic recovery, resilience and provide growth opportunities for the District. New employment and investment opportunities will be maximised if the area is developed to its full potential. We want to be able to provide quality infrastructure for all businesses in the Business Park and that is why the preferred option is to complete all three stages of the project. The initiative also supports our Community Priority of promoting stronger economic growth with more innovation, ideas, training opportunities and jobs.

Option 2: Complete stage one and stage two only

There is the option of only completing the first two stages of the work over the next ten years. Stage two builds on stage one by extending infrastructure in the area between Kerry Lane and Fitzgerald Lane, enabling development of a significant portion of commercial mixed-use land at the southern end of the Business Park.

The risk of only completing stages one and two is that the demand for suitable industrial land in the District could be greater than what is provided for. The feasibility study conducted in 2019 demonstrated a shortage of land available District-wide and demand from new and existing business that wasn't being met. The land identified in stage three is privately owned and suitably zoned so it could be developed for business at any stage in the next decade.

Option 3: Don't progress beyond stage one

This option means that the Council will not develop the South Taranaki Business Park beyond what has already been committed in stage one. It's expected that completing stage one will stimulate interest and demand and pave the way for expansion into stages two and three. By not progressing past stage one, the potential growth benefits available from this enabling infrastructure will not be maximised and there is also the risk that future development will be ad hoc and not sustainable. It may also mean commercial development that could take place in South Taranaki will be conducted elsewhere. If we didn't progress beyond stage one there would be no further increases on rates, or debt levels.

Please tell us what you think? Give your feedback on page xx.

Town Centre Upgrades

Outcomes - Vibrant, Prosperous and Together South Taranaki

Wellbeing - Cultural, Economic and Social

Community Priority - Revitalise Town Centres

ISSUE

Developing masterplans to encourage vibrancy, improve amenity and social connectedness in Pātea, Waverley, Manaia, Ōpunakē and Eltham town centres was identified as a key project from our previous 2018-28 Long Term Plan (LTP). These high-level plans, which were co-designed with the community, have been completed and provide a basis for future development of these towns. We now need to budget to carry out the work in the masterplans.

PROPOSAL

Over the next 10 years we will budget \$10.6 million to complete the projects identified in the five town centre masterplans. There was considerable consultation with each community during the development of the masterplans to ensure that the key actions met the needs and desires of the community. The projects focus on improving main street public safety and amenity, wayfinding/storytelling, public art, pathways and entranceways. You can find the five town centre masterplans on our website www.southtaranaki.com/our-council/key-projects/town-centre-masterplans

COST

The estimated cost of completing the town centre upgrades over ten years is \$10.6 million. This would be funded from the Long Term Investment Fund (fluctuation reserve).

OPTIONS and FUNDING

Option 1 (Council's preferred option): Undertake all Upgrades

The Council's preferred option is to budget \$10.6 million over the next ten years to complete the projects identified in the five town centre masterplans.

Cost	Funding	Impact on rates	Impact on debt
Eltham \$2.3m Manaia \$1.8m Ōpunakē \$2.2m Waverley \$2.0m Pātea \$2.3m Total: \$10.6m	Long Term Investment Fund fluctuation reserve.	There is no impact on rates. However, using the LTIF's fluctuation reserve means we forgo earnings of \$370,000 pa on average over the next ten years. To counter this we won't need to pay interest on any loans and we stay within our debt levels.	No impact on debt

Undertaking town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham was a commitment we made following the town centre upgrade work in Hāwera and was a key project from our previous 2018-28 Long Term Plan (LTP). The budget is spread across ten years to allow for staff capacity required to undertake the work. Completing this work will enhance the vibrancy, amenity and social connectedness in those towns, meets our Community Priority of revitalising our town centres and supports Council's vision of making South Taranaki the most liveable District in New Zealand.

Option 2: Reduce the budget and shorten the timeframe

There is the option to reduce the budget to \$1 million per town and undertake the work over the next five years. This means the amount we would need to take from the LTIF’s fluctuation reserve is reduced, as is the ongoing loss of earnings. However reducing the budget by half would severely limit the ability to undertake some of the projects identified in the town centre masterplans and meet our goal of improving vibrancy, amenity and social connectedness. It would also likely frustrate the communities who were involved in the development of the plans.

Cost	Funding	Impact on rates	Impact on debt
\$1 million per town Total:\$5 million	Long Term Investment Fund fluctuation reserve.	There is no impact on rates. However, by using the LTIF’s fluctuation reserve it means we forgo earnings of \$185,000 pa on average over the next ten years. To counter this we won’t need to pay interest on any loans and we stay within our debt levels.	No impact on debt

Option 3: Do None of the Town Centre Upgrades

There is the option of not doing any of the town centre upgrades. This option would mean there are no impacts on services, rates, investment or debt levels. However, doing nothing would not improve the vibrancy, amenity or social connectedness of those town centres and would likely frustrate the communities who participated in the development of the masterplans. We would not achieve the Community Priority of revitalising our town centres.

(this can go anywhere really) We have reviewed our **Significance and Engagement Policy** as part of the Long Term Plan. This policy provides a guide on how and when we engage with the community. It provides information on:

1. When you can expect the Council to inform you of a proposal.
2. When you can give your views on an issue.
3. How your feedback/submission contributes to the decision making process.

If you want to find out more, or read the complete policy – you can find it in the Long Term Plan supporting documentation on our website.

Council’s Finances

Projected Expenditure over the next ten years – Total Expenditure \$811 million

Did you know?

The Council’s largest annual operating expense is on roading. Over the next ten years we have budgeted to spend \$215.5 million (including both operational and capital spending) on this activity alone.

Do as Pie Graph??

Expenditure	\$ 811 million	%
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Roading and Footpaths	216.1	27%
Water	147.1	18%
Community Facilities	112.6	14%
Wastewater	82.1	10%
Solid Waste	51.4	6%
Environmental Management	7.6	1%
Regulatory Services	40.4	5%
Arts and Culture	38.6	5%
Democracy and Leadership	37.1	5%
District Economy	27.6	3%
Community Development	13.4	2%
Stormwater	15.9	2%
Coastal Structures	3.9	0%
Other	16.6	2%

The **main drivers** of cost increases for the Council over the next ten years are **local government inflation (LGCI)** and the costs related to meeting new health and environmental legislation requirements. For example we have budgeted almost \$50 million worth of capital work in our water and wastewater activities to meet increased Government requirements for Freshwater Reform and Drinking Water Standards.

What is the Local Government Cost Index (Local Government inflation)?

Just like households have price increases for things like food and household services (commonly known as the Consumer Price Index), councils are faced with a variety of price increases for the things we spend money on (for example steel, bitumen for roads, construction materials, fuel and power). The price increases in these goods and services have their own inflation index called the Local Government Cost Index (or LGCI for short). Because the prices for the things councils spend money on tend to increase at a greater rate than common household services, the LGCI is higher than regular inflation. Over the next ten years the LGCI is projected to increase by an average of 2.75%.

Projected Revenue sources over the next ten years – Total Income \$892 million

Do as Pie Graph??

Income	\$ 892 million	%
Rates	\$536.1	60%
LTIF and other investments	\$95.5	11%
Operational subsidy	\$73.4	8%
Capital Contributions	\$75.9	8%
User Fees and Charges	\$88.3	10%
Sundry Revenue	\$22.6	3%

Proposed Rates for the next ten years?

There are four parts to your rates.

1. The **General Rate** is calculated using the capital value of your property .
2. The **Roading Rate** is also calculated using the capital value of your property and funds the maintenance of our roading network.
3. **Targeted Rates** – targeted rates fund water supplies, wastewater disposal and kerbside rubbish and recycling collection. Only ratepayers who are able to use these services pay the targeted rates (mainly urban ratepayers).
4. The **Uniform Annual General Charge (UAGC)** is a set minimum fee all ratepayers pay.

Ten Year Projection for Rates (all figures include inflation)

	Current	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
District Rate*	0%	3.75%	4.39%	5.20%	4.72%	4.76%	4.71%	2.14%	2.15%	3.08%	1.39%
UAGC	\$604	\$663	\$700	\$740	\$776	\$818	\$862	\$896	\$926	\$949	\$965
Targeted Rates											
Water	\$624	\$661	\$690	\$713	\$730	\$759	\$794	\$828	\$863	\$874	\$897
Wastewater	\$679	\$759	\$834	\$897	\$960	\$1,006	\$1,047	\$1,093	\$1,139	\$1,173	\$1,185
Kerbside Collection	\$265	\$219	\$219	\$219	\$230	\$230	\$230	\$230	\$242	\$253	\$259
Water by meter rates (m3 per day)											
Urban	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban High User >4m ³	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban Extra High User	\$2.84	\$2.97	\$3.06	\$3.11	\$3.13	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Waimate West/Inaha	\$1.08	\$1.10	\$1.13	\$1.16	\$1.22	\$1.28	\$1.33	\$1.40	\$1.46	\$1.48	\$1.51

*The district rate includes the UAGC, general rate and roading rate.

The average total rate increase over the next ten years is 3.99% per year.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Average rate increase	4.73%	4.68%	4.72%	4.94%	4.61%	4.64%	3.43%	3.54%	2.80%	1.77%

So what does all this mean for you?

For most urban and rural ratepayers the total rates increase for 2021/22 is between 1 – 5%.

The tables below give several examples of what the **total rates** increase would be for urban properties that use all water, wastewater and kerbside collection services, and an \$8 million rural property over the next three years.

Urban property with a capital value of \$320,000

	2020/21	2021/22	2022/23	2023/24
General	281.07	295.20	302.06	320.13
Roading	217.26	203.90	215.61	223.34
UAGC	604.00	663.16	700.34	739.57
Water	624.45	661.25	690.00	713.00

Wastewater	678.50	759.00	833.75	897.00
Kerbside Collection	264.50	218.50	218.50	218.50
Total rates	2,669.78	2,801.01	2,960.26	3,111.53
Total \$ increase		131.23	159.25	151.27
Total % increase		4.92%	5.69%	5.11%

Urban property with a capital value of \$480,000

	2020/21	2021/22	2022/23	2023/24
General	421.60	442.80	453.09	480.19
Roading	325.89	305.85	323.42	335.02
UAGC	604.00	663.16	700.34	739.57
Water	624.45	661.25	690.00	713.00
Wastewater	678.50	759.00	833.75	897.00
Kerbside Collection	264.50	218.50	218.50	218.50
Total rates	2,918.94	3,050.56	3,219.10	3,383.27
Total \$ increase		131.62	168.54	164.17
Total % increase		4.51%	5.52%	5.10%

Urban property with a capital value of \$600,000

	2020/21	2021/22	2022/23	2023/24
General	527.00	553.50	566.36	600.24
Roading	407.36	382.31	404.27	418.77
UAGC	604.00	663.16	700.34	739.57
Water	624.45	661.25	690.00	713.00
Wastewater	678.50	759.00	833.75	897.00
Kerbside Collection	264.50	218.50	218.50	218.50
Total rates	3,105.81	3,237.72	3,413.23	3,587.07
Total \$ increase		131.91	175.50	173.84
Total % increase		4.25%	5.42%	5.09%

Hawera commercial property with a capital value of \$600,000

	2020/21	2021/22	2022/23	2023/24
General	527.00	553.50	566.36	600.24
Roading	407.36	382.31	404.27	418.77
UAGC	604.00	663.16	700.34	739.57
Water	624.45	661.25	690.00	713.00
Wastewater	678.50	759.00	833.75	897.00
Hāwera Business Rate	538.11	542.04	551.25	560.62

Total rates	3,379.42	3,561.26	3,745.98	3,929.19
Total \$ increase		181.84	184.72	183.21
Total % increase		5.38%	5.19%	4.89%

Rural property with a capital value of \$8,000,000

	2020/21	2021/22	2022/23	2023/24
General	7,026.64	7,380.04	7,551.51	8,003.13
Roading	5,431.44	5,097.47	5,390.33	5,583.59
UAGC	604.00	663.16	700.34	739.57
Total rates	13,062.09	13,140.67	13,642.17	14,326.29
Total \$ increase		78.58	501.50	684.12
Total % increase		0.60%	3.82%	5.01%

With an average total rate increase of 3.99% per year over the next ten years, we believe we have achieved a good balance between progress, providing the services and facilities our communities expect and affordability. But what do you think? Tell us on page xx

Fees and Charges

Several of our user fees and charges are increasing a small amount to cover the rate of inflation. However some fees and charges, for example cemetery services, are proposed to increase by more than this. The cemetery services fees are increasing to cover increased contractor costs. To see a full schedule of our proposed fees and charges over the next three years, check out our 2021-2031 Long Term Plan supporting information on our website www.southtaranaki.com

How Can I Have My Say?

The Council's proposed 2021-2031 Long Term Plan is available for comment from 31 March until 7 May 2021. This is your chance to give your feedback about the proposed Plan, so please take the time to get involved and have your say.

Comments and suggestions can be sent to the Council by:

- Completing the on-line submission form at www.southtaranaki.com
- Sending an email to longtermplan@stdc.govt.nz
- Completing the hard copy feedback form attached to this document and posting it to us at Private Bag 902, Hāwera 4640 or dropping it into any LibraryPlus or the Hawera Administration Building.
- Phoning us on 06 278 0555 or toll free 0800 111 323 and we can fill out a submission form for you over the telephone

Public Meetings - Public Meetings are being held in the following towns:

Waverley – Wednesday 30 March, 5:30pm, Waverley Community Centre
Patea – Tuesday 6 April, 5:30pm, Hunter Shaw Building
Opunake – Monday 12 April, 7:00pm, Sandfords Event Centre
Hawera – Tuesday 13 April, 5:30pm, TSB Hub Western Lounge
Eltham – Wednesday 14 April, 6:00pm, Taumata Recreation Centre
Waitotara – Monday 19 April, 5:30pm, Waitotara Hall
Manaia – Thursday 22 April, 5:30pm, Manaia Golf Club
Kaponga – Tuesday 27 April, 5:30pm, Kaponga Town Hall

Casual 'Coffee' Meetings

Pātea – Wednesday 31 March, 10.30am, Pātea LibraryPlus, Egmont Street, Pātea
Hāwera – Friday 9 April, 10am, Hāwera LibraryPlus, High Street, Hāwera
Manaia – Tuesday 13 April, 1pm, Manaia LibraryPlus, South Road, Manaia
Eltham – Wednesday 21 April, 10.30am, Eltham LibraryPlus, High Street, Eltham
Kāponga - Friday 30 April, 3pm, Kāponga LibraryPlus
Waverley – Wednesday 5 May, 10.30am, Waverley LibraryPlus, Weraroa Road, Waverley
Ōpunakē – Thursday 6 May, 10am, Ōpunakē LibraryPlus, Tasman Street, Ōpunakē

What happens next?

The Council meets on **17 and 18 May 2021** to hear those people who want to speak to their submissions. If you would like to speak, please indicate this on your Feedback Form. You will be contacted to arrange a time. Once the Council has considered all feedback it will adopt the final 2021 - 2031 Long Term Plan by 30 June 2021. A summary of the Council's decisions will be published in a July 2021 issue of SouthLink - the Council's newsletter, which appears weekly in the Taranaki Star.

Auditor's report

To the reader: Independent auditor's report on Western Bay of Plenty District Council's consultation document for its proposed 2021-2031 Long-term Plan

I am the Auditor-General's appointed auditor for Western Bay of Plenty District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 23 February 2021.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-2031 long-term plan, because it: i fairly represents the matters proposed for inclusion in the long-term plan; and j identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matter

Without modifying our opinion, we draw attention to the disclosure on page 10, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Basis of opinion

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

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document. We did not evaluate the security and controls over the publication of the consultation document.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document. We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;

- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand. I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this audit and our report on the Council's annual report, we have carried out engagements in the areas of debenture trust deed assurance engagement and 2018-2028 long term plan amendment audit, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Feedback Form

I wish to speak to the Mayor and Councillors about my submission at the Council Hearing on 17 and 18 May 2021:

If yes, you will be contacted to arrange a time

yes no

Contact Details:

Name: (who is the submission from?) _____

Contact Person (if the name above is an organisation) _____

Postal address: _____

Telephone (Day) _____ (Night) _____

Email address _____

Question 1: Do you support Council's proposal to budget on average \$213,000 each year over the next ten years to fund the Environment and Sustainability Strategy? (See page XX)

Option 1. Yes (Council's preference)

Option 2. I support Council's proposed Environment and Sustainability strategy with changes (please say what changes you would like to see in the comments)

Comments: (insert lines for comments)

Question 2: Do you support Council's proposal to develop a District Business Park in 3 stages? (See page XX)

Option 1. Yes complete all 3 stages (Council's preference)

Option 2. Yes, but just complete stages 1 and 2

Option 3. Just complete stage 1

Comments: (insert lines for comments)

Question 3: Do you support the Council’s proposal to budget \$10.5 million (spread over 10 years) which will be used to undertake town centre upgrade projects in Pātea, Waverley, Manaia, Ōpunakē and Eltham (see page XX)

- Option 1. Yes (Council’s preference)
- Option 2. Yes, but reduce the budget to \$1 million per town and undertake the work over the next five years
- Option 3. No I don’t support this proposal

Comments: (insert lines for comments)

Any other comments

Need more room? You can attach extra pages, but please make sure they are A4 and also include your name and contact information. Submissions are available to the public and the media. This includes your personal information. All submissions will be acknowledged. Submitters who wish to speak to their submission will be advised of a day and time for their verbal hearing.

Remember, your comments must be received by 5 pm, 7 May 2021

Appendix 2

Insert Cover Page

South Taranaki District Council

2021 – 2031 Proposed Long Term Plan

Mihi Page

Ko Taranaki kei runga.
Ko Aotea, ko kurahaupo e urunga mai ki uta.
Ko Turi, ko Ruatea ngā tūpuna,
Tihei mauri tū ki runga!

*So stands Taranaki above
Aotea and Kurahaupo are anchored ashore,
Turi and Ruatea are our ancestors.
So, we share the breath of life!*

Mai I Okurukuru ki Rāwa o Turi,
Rāwa o Turi ki Waingōngoro
Waingōngoro ki Whenuakura,
Whenuakura ki Waitōtara.

*From Okurukuru to Rāwa o Turi,
From Rāwa o Turi to Waingōngoro River,
From the Waingōngoro to the Whenuakura River,
From the Whenuakura to the Waitōtara River.*

Insert Graphics

Ko wai tērā, ko Taranaki ki te Tonga.

Who are we, South Taranaki.

E ngā tini wairua, kua whetūrangihia, koutou e
Korowaitia ana te tauheke rā, ko Pukehaupapa, ko
Pukeonaki, e moe. Haere I raro I te kahu kōrako ki
Tua whakarere. Ki te kāinga o tāua te tangata.

*To those spirits, who have passed beyond, you who
cloak our mountain, Pukehaupapa, Pukeonake, rest
in peace. Go beyond the veil with the protection of
peace. To the ancestral home of us, the people.*

Hoki atu rā koutou ki Hawaiki nui, Hawaiki roa,
Hawaiki pāmamao.

*Return to Hawaiki nui, Hawaiki roa and
Hawaiki pāmamao.*

Ki a tātou ngā uri o Tiki, ki ngā kanohi kitea. Tātou
mā e kawea nei ngā kete matauranga o te ao
tūroa, o te ao hurihuri.
Tihei mouri ora.

*To those of us who remain, the descendants of
Tiki, the living. We, the bearers of the baskets of
knowledge from the past and present.
So, the breath of life.*

Ko te kaupapa e anga atu nei, ko te Hōtaka o te
wā, hei tirohanga ki mua mā tātou ki to Tonga. Kia
whai nei I ngā wawata kia pākari ai te rohe.

*So, the focus for this is the Long Term Plan, to
Look forward for us the people of South Taranaki.
To achieve the hopes and dreams to enhance our
region.*

Kāti rā, ki a koutou, ki a tātou, rire, rire Hau Pai
marire!

*In conclusion, to you and us all, Peace flow across
us!*

(Contents page – cannot complete until the document is designed so page numbers match)

Insert Graphics

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MAYOR AND CHIEF EXECUTIVE'S MESSAGE

We live in one of the best places in the world and our vision is to continue to build on our many strengths to make *South Taranaki the most liveable District*.

In 2019 we asked you what you wanted to see for the future of South Taranaki. You told us you wanted us to encourage growth and vibrancy in our towns, take good care of our natural environment, develop our relationship with Māori and ensure our infrastructure continues to meet the community's needs.

Over the past decade we've focussed on upgrading the District's water infrastructure, key community facilities and implementing projects to make South Taranaki a desirable place to live and do business. We now have a much-improved water network and, since our last Long Term Plan three years ago, we have progressed the Hāwera Town Centre redevelopment, Te Ramanui o Ruapūtahanga and the Nukumarū Station Road extension projects.

The key challenges we face over the next ten years are how we:

- Support economic growth, especially after COVID-19
- Minimise the impacts of climate change

- Manage our environmental sustainability requirements, including how we pay for the rising costs related to meeting new environmental legislation
- Manage our debt while ensuring we complete our planned capital works programme

To meet these challenges and work towards our vision, our focus for the next ten years is to:

- Complete key projects from our last Long Term Plan
- Continue to upgrade our water, wastewater and stormwater infrastructure with a focus on wastewater
- **Increase our spend on roading**
- Carry out our environment and sustainability strategy
- Create the conditions that encourage sustainable economic growth in the right places, with development of the South Taranaki Business Park, the Western Hāwera Structure Plan and town centre upgrades for

Manaia, Eltham, Ōpunakē, Pātea and Waverley.

At the same time we know we **need to keep rates at an affordable level**, so we are proposing to fund our key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, rather than through rates.

With an **average rate increase of 3.99%** over the next ten years, we believe our proposed Long Term Plan strikes the right balance between progress, affordability and providing the services and facilities our communities expect. **But we want to know what you think.**

We want to make the best decisions we can for the future of South Taranaki and your feedback will help us do that.

Phil Nixon
Include Te Reo title
South Taranaki Mayor

Waid Crockett
Tumu Whakahaere
STDC Chief Executive

VISION

Vision

South Taranaki, the most liveable District

Your Councillors

O KOUTOU KAIKAUNIHERA

Insert pictures of elected members

ABOUT THE LTP, ANNUAL PLAN AND ANNUAL REPORT CYCLE

Long Term Plan

The **LTP** sets out our strategic direction and work programme for ten years outlining services we will provide, projects we will undertake, cost, how it will be paid for and how we will measure our performance. An LTP is produced every three years.

Annual Plan

In each of the years between LTPs, we produce an **Annual Plan** to review the budgets and work programme planned for the year, according to the LTP. When a significant or material change from the LTP is proposed, the community will be consulted.

Annual Report

At the end of each financial year we produce an **Annual Report** setting out how we performed for the year compared to what we said. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

Section 93 clause 3 of the Local Government Act 2002 requires all councils to adopt their long term plan every three years, before the beginning of the financial year, which for this plan is 30 June 2021.

This Long Term Plan sets out the Council's long term vision for the services it delivers. In developing this Plan we firstly considered the likely future economic situation for South Taranaki, as well as projected population levels, our current strategies and the community's expectations towards services and our progress in achieving the community outcomes. Next we considered the service levels for each of the activities, matching them with appropriate customer-focused performance targets. We also reviewed the projects identified for each of the activities that were either needed to maintain agreed service levels or to enhance our current services.

The Consultation Document was audited by Audit NZ to ensure that the information and assumptions that underline the information in the Consultation Document are reasonable and that the Consultation Document provides an effective basis for public participation in the Council's decisions about the proposed content of the LTP.

ABOUT THE LTP, ANNUAL PLAN AND ANNUAL REPORT CYCLE

A – STRATEGIC DIRECTION / RAUTAKI ANGA WHAKAMUA

- Introduction to the Plan from the Mayor and Chief Executive
- Council's Vision
- How the Long Term Plan was developed and the key considerations of the Council in compiling it
- A description of the community outcomes
- The ten key priorities identified by the community through the Community Visioning Exercise
- Upcoming projects, highlights and key issues for the District
- A commentary on the Council's financial health, the impacts on our debt profile, revenue sources and the significant differences
- About your rates – the impact of changes and increases in costs are represented by five examples of different property values
- 30 Year Infrastructure Strategy
- Financial Strategy

B – OUR ACTIVITIES / Ā MĀTOU AHEAWHE

- Details of each of the Council's activities, including performance measures for reporting against, how the Council is planning for its significant assets

C – DECISION MAKING PROCESS / TUKANGA WHAKATAUNGA WHAKAARO

- Significance and Engagement Policy – how the Council determines significance for decisions and consultation
- Policy on Building Māori Capacity to Contribute to Council Decision Making – the Council's intended steps to build Māori capacity
- Significant Forecasting Assumptions

D – OUR COSTS / Ā MĀTOU UTUNGA

- Revenue and Financing Policy – sets out for each activity the funding sources to be used for operational and capital expenditure and the basis for selection
- Funding Impact Statement for each activity and the Funding Impact Statement Rating – how the different funding sources and rates are calculated and the amount collected from each funding tool
- Prospective financial information
- About your rates
- Financial prudence benchmarks
- A list of all the capital projects
- Debt ratios for borrowing limits
- Statement of Special Reserves Funds
- The Statement of Accounting Policies

COMMUNITY OUTCOMES

The purpose of local government as outlined in the Local Government Act 2002 is to enable democratic local decision-making on behalf of communities and promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

We work towards this purpose through our Vision, Community Outcomes and Community Priorities and use these to guide us when making decisions, developing policies, strategies or determining priorities regarding the activities and services we provide.

Our outcomes fall under four main headings:

Vibrant South Taranaki

A vibrant and creative District that celebrates diversity and has strong relationships with Iwi/hapū.

Together South Taranaki

A District with healthy, safe, resilient, informed and connected people.

Prosperous South Taranaki

A prosperous District with a sustainable economy, innovative businesses and high quality infrastructure .

Sustainable South Taranaki

A sustainable District that manages its resources in a way that preserves the environment for future generations

COMMUNITY PRIORITIES

In 2018 and 2019 we undertook an extensive visioning exercise with our communities, asking our residents what they wanted to see for the future of South Taranaki. The feedback we received from this exercise was the basis for developing ten **Community Priorities**. You told us you wanted us to encourage growth and vibrancy in our towns, take good care of our natural environment, develop our relationship with Māori and ensure our infrastructure continues to meet the needs of the community.



WHAKAAROTAU HEI TE TEKAU TAU E TU MAI NEI

Key Projects and Priorities to Support Our Vision

Vibrant Communities

Vibrant South Taranaki – Outcome Cultural Well-being

Community priorities (1,2,3 and 4)

- Develop an Iwi-Council Partnership Strategy.
 - Support the **Rotokare Scenic Reserve Trust** with a \$60,000 annual grant.
 - Maintain the **Pātea Moles**.
 - Continue work on earthquake strengthening and upgrades to Eltham Town Hall.
 - Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex.
- Complete Te Ramanui o Ruapūtahanga, South Taranaki's new Library, Culture and Arts Centre.
 - Provide more resources in the Parks Team in Year 4 so we can increase the level of service we provide for the maintenance of parks and gardens across the District (\$300,000 pa).
 - Budget \$1.4 million to upgrade Council owned earthquake prone buildings.
 - Continue to hold community events across the District such as Arts in the Park, Sounds on the Sand, Movies in the Park, Elektra.

COMMUNITY PRIORITIES

Key Projects and Priorities to Support Our Vision

Together Communities

Together South Taranaki

Social Well-being

Community priorities (3,6,7, 8 and 9)

- Complete water treatment enhancement and water pressure improvements in Pātea (\$3.2 million).
 - Spend an average of \$34.5 million pa on the road network, including an average annual spend of \$920,000 on footpaths and \$750,000 each year for upgrading our bridges.
 - Upgrade Waverley Swimming Pool (\$224,000) in 2023/24.
 - Complete the District Pathways Programme including building a pathway from Waverley to the beach (\$690,000).
 - Replace Ōhawe toilets in 2023/24 (\$130,000) and Pātea toilets in 2025/26 (\$360,000).
 - Replace the Ōpunakē Beach retaining wall in 2021/22 (\$212k).
- Undertake a **digital transformation** programme to replace our ageing digital infrastructure with more modern and efficient systems, so we can work more efficiently and our customers can connect and do business with us easily (\$3 million over five years).

WHAKAAROTAU HEI TE TEKAU TAU E TU MAI NEI

Key Projects and Priorities to Support Our Vision

Prosperous Communities

Prosperous South Taranaki – Outcome Economic Well-being

Community priorities (4,5,6 and 7)

- Develop the **South Taranaki Business Park**
- Undertake **town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham.**
- Complete the **Nukumarū Station Road** extension project.
- Install water, wastewater and stormwater infrastructure for residential growth in the western Hāwera zone.
- Provide assistance to owners of commercial earthquake prone buildings.
- Collaborate with key organisations to develop a District Business Innovation and Enterprise Hub. Based initially in Hāwera, with the potential to expand to other towns, this initiative aims to support social and economic growth by providing a range of services such as co-working spaces, enterprise incubation, seed funding, training and events. The aim is to grow entrepreneurial activity and create a vibrant and connected business start-up community in South Taranaki.
- **Subsidise rates** on average by \$6.5 million pa using earnings from the Long Term Investment Fund.
- Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, rather than through rates.
- Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.
- Continue work on the Hāwera town centre upgrades.

COMMUNITY PRIORITIES

Key Projects and Priorities to Support Our Vision

Sustainable Communities

Sustainable South Taranaki Environmental Well-being Community priorities (7 and 10)

- Implement our **Environment & Sustainability Strategy** which includes projects such as planting and restoring native species on Council owned properties, mapping and protecting the District's indigenous vegetation, developing an energy and **carbon reduction plan** and a **District climate change adaptation plan** to minimise the impact climate related events will have on South Taranaki.
- **Reduce the total amount of waste going to landfill by 5%** by 2023 through waste minimisation activities.
- **Improve our water and wastewater infrastructure** by reducing water loss (leakage) within our water networks and reducing water entering our wastewater networks (sewers).

- **Build new reservoirs** for the Waimate West, Ōpunakē, Waverley and Rāhotu water supplies.
- Find and **develop new water sources** for the Kāpuni, Eltham and Waverley water supplies.
- **Upgrade our wastewater network** and build new tertiary wastewater treatment plants for Waverley, Hāwera, Pātea, Kaponga and Manaia wastewater treatment plants.

HOW SUBMISSIONS SHAPED THE PLAN

YOUR FEEDBACK HAS HELPED SHAPE THIS PLAN

As part of the development of our LTP we asked the community about our key issues and proposals. Public consultation was open from 31 March to 8 May 2021. As part of this process our Consultation Document was distributed throughout the District accompanied by an awareness campaign involving radio, newspaper and social media. We listened to your feedback at our public meetings, coffee mornings, school events, clubs and associations and at the hearings we read through every submission that was received. In total xx submissions were made with xx submitters speaking to their submissions at the hearings.

Through this process you told us what you liked and did not like about the proposals that we were looking to include in our LTP and you provided insight into the things you consider are important for the future of our District. We would like to thank everyone for their time and effort taken to engage with us in this process.

The feedback provided has been valuable to the Council in finalising the plan that reflects and balances various priorities in our communities.

QUESTION 1

Insert text

Insert feedback on the Options

QUESTION 2

Insert text

Insert feedback on the Options

HOW SUBMISSIONS SHAPED THE PLAN

QUESTION 3

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Insert feedback on the Options

HEADING

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HEADING

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FINANCIAL STRATEGY

About the Strategy

The purpose of this Financial Strategy is to help us prudently manage our finances as we work towards our vision of South Taranaki, the most liveable District. The Strategy guides us to consider proposals for funding and expenditure. It sets out our financial targets, explains how we will manage our resources and highlights areas where there will be a significant financial impact. The Strategy describes what we are aiming to achieve over the next ten years and states the effect of our proposals on our services, rates, debt and investments.

Over the past two decades we have completed upgrades to our water, wastewater, roading and community facilities infrastructure. This upgraded infrastructure will last well into the future; however, we are now required to meet new Government standards that includes significant extra compliance work over the next ten years and this, along with several of our resource consents due for renewal, has added pressure to our budgets. The new Government standards focus on water supply, wastewater and environmental sustainability. We plan to stay on track with other key projects that help make South Taranaki the most liveable District, such as town centre master plans, Te Ramanui o Ruapūtahanga civic centre and the South Taranaki Business Park. In this Plan we have capped debt levels at \$168m and we aim to limit rates increases to 4.75%.

This Strategy focuses on five themes:

Encouraging sustainable growth – Population growth predictions for South Taranaki are low but we know the District has the space and the community appetite for sustainable growth. This LTP includes plans to create the conditions that encourage sustainable growth in key areas and reduce ad hoc development in areas without appropriate infrastructure. Encouraging sustainable growth is expected to benefit the District by providing new jobs, diversifying the local economy and strengthening the rates base. Priority projects to encourage sustainable growth include the South Taranaki Business Park, the western Hāwera structure plan and town centre master plans for Ōpunakē, Manaia, Eltham, Pātea and Waverley.

Ensuring environmental sustainability – A healthy environment is an important part of being a liveable District and our community has highlighted this as a priority. We have many services that directly affect the environment and New Zealand's environmental legislation is undergoing rapid change. This LTP includes plans to implement our Environmental Sustainability Strategy, with significant budgets and workplans covering climate change, biodiversity, air, waste, water, wastewater and stormwater, conservation, development and industry. We are working on how we can conserve the District's natural environment, increase biodiversity and develop an income stream from carbon credits.

Managing our resources effectively – New Government standards, for water supply and wastewater, along with several of our resource consents coming up for renewal, requires significant new investment in infrastructure over the next ten years. Our ability to complete all the work in our capital works programme is always a challenge and COVID-19 has made this even more difficult by limiting access to resources, however in 2020 we purchased a significant amount of pipe to complete key pipe renewals. We have also taken a more proactive approach to our capital works programme and have split the funding allocated to a given project to better reflect the timeframes for completing work. This includes adding a design phase to the front end of capital projects, where appropriate. We need to balance the requirement for higher compliance standards with the community's ability to pay and we do this by spreading the cost of our infrastructure over the generations it will serve. Meeting new freshwater and wastewater compliance standards set by the Government is a priority in this Plan.

RAUTAKI PĀKIHI

Keeping rates affordable – *South Taranaki - the most liveable District* includes being an affordable place to live and do business. In every LTP, our plans for the District must be balanced with the need to keep rates affordable for our community while maintaining our current levels of service. We did not raise rates in the 2020/21 Annual Plan, as we knew many of our residents and businesses were facing a loss of income due to the COVID-19 lockdowns. We have spread the increased costs (\$722,000 in total) faced during this time over the first five years of the Plan, to lessen the burden on ratepayers. We aim to achieve the projects in this Plan without raising our rates above our rates cap of 4.75% per annum (the Local Government Cost Index ten-year average of 2.75% plus 2% for growth). Increased compliance costs and planning for growth mean that our rates cap is higher than the previous ten year plan. The cap will be breached in year four mainly to allow for increased levels of service in that particular year. The projected rate increase in year four is 4.94% The breach is not considered to be significant. The average rates increase for 2021/22 is 4.73% and the average for the next ten years is projected to be 3.99%. We will continue to seek external funds to help our community to pay for key projects.

Effective management of debt – We always aim to find alternative ways to pay for infrastructure, including securing Government funding, where possible. We recognise that the infrastructure we build, maintain and operate serves the community over many generations. We use debt to fund new infrastructure, reflecting the intergenerational value of our water, wastewater, stormwater, roads and community facilities. We also fund the depreciation of our assets, so renewals are largely funded through depreciation. Gross debt levels are high and are capped at \$168m in this Plan. The debt is used to pay for vital infrastructure, to meet critical resource consent conditions, to improve the performance of our assets and to meet new standards. Managing our debt effectively is a priority and this is why we are proposing to use funds from the Long Term Investment Fund fluctuation reserve to pay for town centre master plans (\$15.2m).

FINANCIAL STRATEGY

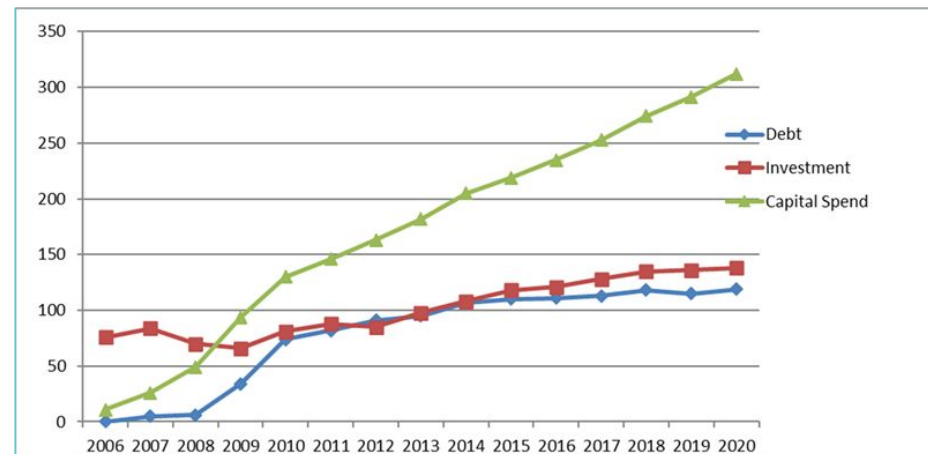
The following sections of this Financial Strategy provide the detail of how the priorities will be achieved.

Our Current Financial Position

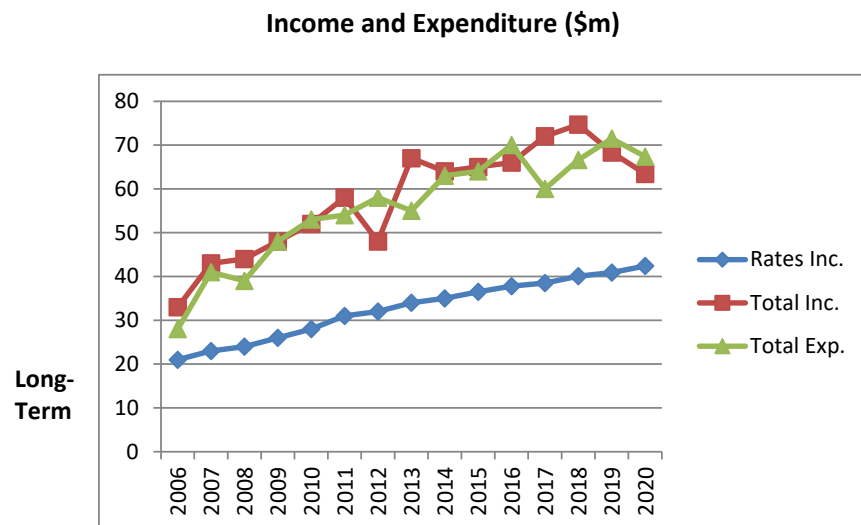
Current Financial Position – Where Are We Now

Our financial position remains reasonably strong, in terms of continued increased investment income and total net assets and, as at 30 June 2020, our net debt was zero. However, our gross debt is high and increasing compliance costs means that debt is expected to increase in the first seven years of this Plan. Our priority has been to consolidate and pay off debt up to now, but the priority has changed in this Plan to allow for the need to meet legislative compliance and sustainable growth. Despite this change, paying off debt remains a priority. The following two graphs demonstrate this.

CURRENT FINANCIAL POSITION (\$M)



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Capital Works

Over the past two decades, the Council has implemented a capital works programme to bring its core infrastructure up to standard. The implementation of the New Zealand Drinking Water Standards for potable water affected the District’s water supply schemes and new reservoirs and water treatment plants have been constructed. Over several years water treatment plant upgrades have been completed at Kāpuni, Ōpunakē, Eltham, Rāhotu, Pātea, Waverley, Inaha, Waimate West, Waverley Beach and Waiinu. The capital works programme also included renewing the roading network and community facilities (such as TSB Hub, Aotea Utanganui District Museum, Waverley and Normanby Community Centres, Public Toilets and Swimming Pool upgrades at Eltham, Kaponga, Waverley, Pātea and the Hāwera Aquatic Centre.

Three Waters Reform

The Taumata Arowai – Water Services Regulator Act 2020 established a new Crown entity, Taumata Arowai – the Water Services Regulator. The new entity is responsible for administering and enforcing a new drinking water regulatory system. We will continue to manage our three waters services in the meantime until we have further information from the Government. We have budgeted for the significantly increased costs associated with the new regulations and with upcoming consents for water abstraction and wastewater treatment, which are now expected to require further infrastructure upgrades to meet environmental standards over the next ten years.

As part of the Three Waters Reform, we have entered into a Memorandum of Understanding with the Government that will provide us with up to \$5.4m for infrastructure improvements. The first part of that funding (\$2.7m) has been received.

How We Fund Our Infrastructure

We fund our infrastructure in a way that is fair to current and future users. Before considering new debt, we first consider other funding mechanisms such as funded depreciation, external contributions, capital contributions and special reserves as well as considering the correct method of ensuring that intergenerational equity is maintained. Our debt will reach a peak debt level of \$166.2m (includes internal borrowings) in 2027/28.

FINANCIAL STRATEGY

Effects of COVID-19

The Long Term Investment Fund (the Fund) has performed very well over the past ten years with an average return of 7.50% on a target of 4% after inflation and fees. The effect of COVID-19 on our investment was considerable and the Fund was reduced by \$10m to \$137m in March 2020. In April and May 2020, the markets recovered as governments around the world introduced significant programmes to address the effects of the pandemic. This saw the Fund fully recover by December 2020 and it is currently performing above expectations. We did not raise rates in 2020, as a measure to assist businesses and households who lost income during the Government enforced lockdowns. To achieve a 0% rate increase for that year we made a one-off payment of \$722,000 from the Fund. As expenditure was not reduced, the ongoing increase in expenditure has been spread over the next five years.

Long Term Investment Fund

In 1997 the Council sold its shares in the power company, Egmont Electricity. The net proceeds from the sale (\$88m) were transferred to a Long Term Investment Fund. The Fund remains our only long term investment fund and since that time the money held in the Fund has grown to \$153m (January 2021) (note, this includes internal borrowing.)

We contribute \$3.87m for a rates subsidy for returns on the Fund on an annual basis, another \$1.73m for servicing the interest and loan repayments for specific community facilities and projects and \$860,000 for servicing the interest and loan repayments for the Hāwera Town Centre Strategy and projects associated with Earthquake Prone Buildings. In this way the Fund has returned \$115m back to the community since 1997.

Since it began in 1997 to 30 June 2020, the Fund has achieved an average gross return (before subsidy and inflation) of 7.02%.

Current Management of the Fund

The Fund carries a degree of risk as the value can go down as well as up, and we saw this over the initial COVID-19 lockdown period. Ultimately, a decrease in value could diminish the original amount invested. To mitigate the risk we employ investment advisors, Mercer to advise on the Fund. We also have a Statement of Investment Policy and Objectives (SIPO), which outlines our preferred approach to portfolio diversification. Currently 60% of the Fund is in growth investments and 40% is held in conservative investments. Mercer monitors the Fund's performance on a daily basis and the Audit and Risk Committee meets quarterly to review the Fund's performance and make any required decisions.

The impact of not receiving investment returns great enough to fund the annual rates subsidy, the servicing of repayments for specific community projects and facilities and the Hāwera Town Centre Strategy and projects associated with Earthquake Prone Buildings would be \$6.5 million per year.

Our Challenges

Demographics

As with most rural councils the geographic land area of the District is large (362,000 ha) and includes several distinct urban settlements (seven main ones) connected by a sizeable network of roads. Each of the seven urban settlements has its own facilities (e.g. LibraryPlus, halls, swimming pools, transfer station, parks, cemeteries etc.) and services (e.g. kerbside rubbish and recycling collection). With only 14,800 rateable properties this is inherently a higher cost model than a city or large urban area, which can provide one set of facilities in a more compact area. However, this relative higher cost model is considerably offset by the annual rates subsidy the Fund provides to the ratepayers.

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Our services:

- 10 water treatment facilities
- 37 reservoirs
- 8 wastewater treatment facilities
- Maintains 1634 kms of roads, 229 bridges, 2,252 streetlights, 163 km footpaths and more than 96km of stormwater pipes.
- 7 transfer stations
- 7 libraries
- 7 campgrounds
- 7 swimming pools
- 9 urban halls and support to 34 privately owned halls
- 38 playgrounds
- 10 cemeteries
- 36 public toilets
- 66 pensioner housing units
- 220ha of parks and reserves
- As well as the TSB Hub , Aotea Utanganui Museum, Cinema 2 and the i-SITE

Due to the nature of our District, we face a number of challenges that will have an impact on our finances over the next 10 years:

- Increasing costs related to health and environmental compliance requirements;
- How we manage our debt levels;
- Supporting economic growth in the aftermath of COVID-19;
- Minimising the impacts of climate change; and
- Ensuring environmental sustainability.

To meet these challenges our focus for the next ten years is to:

- Complete key projects identified and started from our previous Long-Term Plan;
- Continue to upgrade our water, wastewater and stormwater infrastructure with a focus on wastewater;
- Implement our Environment and Sustainability Strategy;
- Encourage sustainable economic growth with development of the South Taranaki Business Park, the Western Hāwera Structure Plan and town centre upgrades for Manaia, Eltham, Ōpunakē, Pātea and Waverley.

In 2010 we proposed some rationalisation of duplicated facilities and consulted the public on the possibility of reducing the level of service or discontinuing some services. However, during the consultation process the public soundly rejected the proposals, preferring to retain the current model and levels of service and therefore pay a bit more for the services they received.

Our ongoing challenge is how to provide the services and facilities our communities expect while keeping rates at an affordable level, from a relatively small base of ratepayers spread across a large geographic area.

Shared Services and Partnerships with External Organisations

We have a strategy of pursuing ‘Shared Services’ and partnerships with external organisations where we can achieve efficiencies and cost savings. We are involved in about 50 Shared Service arrangements with the other Taranaki councils, ranging from library services to insurance, civil defence to purchasing vehicles (where there is a financial or economic benefit due to economies of scale to the ratepayers of the Region). A good example of this collaborative approach is the Taranaki Regional Waste Collection Contract, which has resulted in major cost savings to ratepayers.

During the 2018-28 Long Term Plan process we considered total expenditure (including capital expenditure) in maintaining current levels of service (factoring in inflation and additional demand/increase in levels of service). We believe this will be able to meet existing levels of service with the forecast rate increases for the next ten years.

FINANCIAL STRATEGY

Encouraging Sustainable Growth

Projected population growth for South Taranaki is low but there is significant interest in land development across the District and particularly in Hāwera. We want to encourage strategic, sustainable growth so we can maximise the benefits of new infrastructure builds. Historically, ad hoc development across the District has resulted in residential development sprawling into semi-rural areas and making infrastructure costs prohibitive.

In order to encourage strategic, sustainable growth, two urban growth areas have been identified in Hāwera. The first structure plan covers Hāwera West and is focused on residential development. The second is focused on industrial and business development, through the South Taranaki Business Park, a strategic initiative designed to support the COVID-19 recovery and help drive investment, resilience, jobs and economic growth in the District.

The structure plans indicate where we support growth and where growth is sustainable. In 2020, \$3m was allocated to stage one of the South Taranaki Business Park from the Fund for water, stormwater and roading infrastructure. This funding will be largely recovered over time, through financial contributions. Funding of \$12.2m for stages two and three is included in this Plan and is a key proposal we are asking the community to provide feedback on.

In 2015, we adopted the Hāwera Town Centre Strategy, which includes a series of specific actions that enable positive change to continue to take place in the Hāwera Town Centre. The realignment of roading networks in the centre, along with the creation of lanes and other connections have started to lift the visual and functional amenity of the town centre. We purchased the building on the corner of High and Regent Streets for the development of Te Ramanui o Ruapūtahanga civic centre. Demolition is underway and construction is expected to be finished by the end of 2022. We allocated an additional \$4.6m to Hāwera Town Centre Strategy projects in this Plan, which will be funded through the Fund's fluctuation reserve.

We have worked with the community to develop town centre plans for Eltham, Manaia, Ōpunakē, Pātea and Waverley. We have included \$10.6m to implement the plans over the next 10 years. This work will be funded through the Fund's fluctuation reserve.

Ensuring environmental sustainability

Environmental sustainability and climate change are important issues which impact the way we live, work and play in South Taranaki, both now and into the future. To meet these challenges and our legal obligations/requirements from the Government, we have developed an Environment and Sustainability Strategy which identifies the impact we have on our environment and looks at changes we can make in order to move towards increased sustainability.

There are a range of actions associated with environmental protection, climate change and waste minimisation, which focus on the areas where we believe we can have the greatest impact on our journey to become more environmentally sustainable, reduce our emissions and our waste, and adapt to climate change impacts. Implementing most of the Environment and Sustainability Strategy will be done with existing resources, however, there are some significant cost implications which we are asking for the community's feedback on.

Managing our resources effectively

Our Infrastructure Strategy covers our infrastructure networks including water supply, wastewater, stormwater and roads. It covers the financial overview of these assets and the operational and capital expenditure over a 30 year period. The Strategy considers the costs associated with renewals, increases in levels of service and growth. Future commitments have been identified and managed to ensure its affordability for the community.

The projections for all infrastructure activities are driven by the Asset Management Plans (AMPs) and the Infrastructure Strategy.

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Water Supply

We plan to spend \$147.1m in the next ten years on operational expenditure across the urban and Waimate West water supply schemes. The operational expenditure is funded from targeted rates and other income.

We have included funding of \$95.6m in this Plan for capital expenditure on water supply. This expenditure is funded through depreciation, financial contributions, capital contributions and loans.

Based on the information in the asset database there will be a significant apparent spike in renewals of \$19.8m in 2023/24 and \$17.3m in 2025/26. The impact of spending an additional \$15m in 2023/24 and \$11m in 2025/26 would be an additional average rate increase of 5.80% in 2023/24 and 3.5% in water rates. This would also require additional borrowings of that amount. The likelihood of this scenario is low. In this Plan, we have allowed for this expenditure to be spread over a number of years. At the end of ten years the budgeted renewal programme will largely align with what is required as per the database. The Infrastructure Strategy further explains this risk and the reasons for spreading the renewal programme over a number of years.

Wastewater

We are planning to spend \$82.1m on wastewater operational costs over the next ten years. Operational expenditure is funded through targeted rates, trade waste charges and other income. We have included \$63.1m in this Plan for capital expenditure on wastewater over the next ten years, funded from depreciation, financial contributions, capital contributions and loans.

The information in the asset database indicates a significant apparent spike in renewals of \$11m in 2023/24. Spending an additional \$9.4m would increase rates by an additional average of 7.9% in 2023/24. The wastewater asset database predicts renewals based wholly on the installation year; however, analysis of the wastewater network performance shows that a significant amount of rehabilitation is required to reduce the amount of water that enters the wastewater networks.

Wastewater renewals have been predicted based on network performance. We have begun by putting more resources into condition assessment in the past few years, which will continue in the future years. The condition assessment of the reticulation network will be used to improve our predicted renewals dates. Improved asset data will be reconciled with the amount we have invested to improve the network performance and, depending on the results, the ongoing expenditure planned may be different to what is currently predicted in the Plan. The Infrastructure Strategy further explains this risk and the reasons for spreading the renewals programme over a number of years.

Stormwater

We have included funding of \$15.9m over the next ten years on operational expenditure for the stormwater activity. This expenditure is funded from the general rate. We have planned \$9.8m of capital expenditure in the next ten years, which is funded from depreciation, financial contributions, capital contributions and loans.

Using the information in the database, there will be a significant apparent spike in renewal expenditure of \$5.7m in 2023/24. The impact of an additional \$5.4m would be an additional average rate increase of 1.1% on District rates. This will also result in additional borrowings of that amount. The likelihood of this scenario is low. In this Plan, we have allowed for this expenditure to be spread over a number of years. The Infrastructure Strategy further explains the risk and reasons for spreading the renewal programme over a longer period.

Roading

We are planning to spend \$216.1m in the next ten years on operational expenditure for the Rooding activity. This expenditure is funded from the Rooding Rate, NZTA Subsidy, financial contributions, grants and other income. We plan to spend \$104.7m in the next ten years on capital expenditure for the Rooding activity, funded by depreciation, capital contributions, NZTA Subsidy and the Rooding Rate.

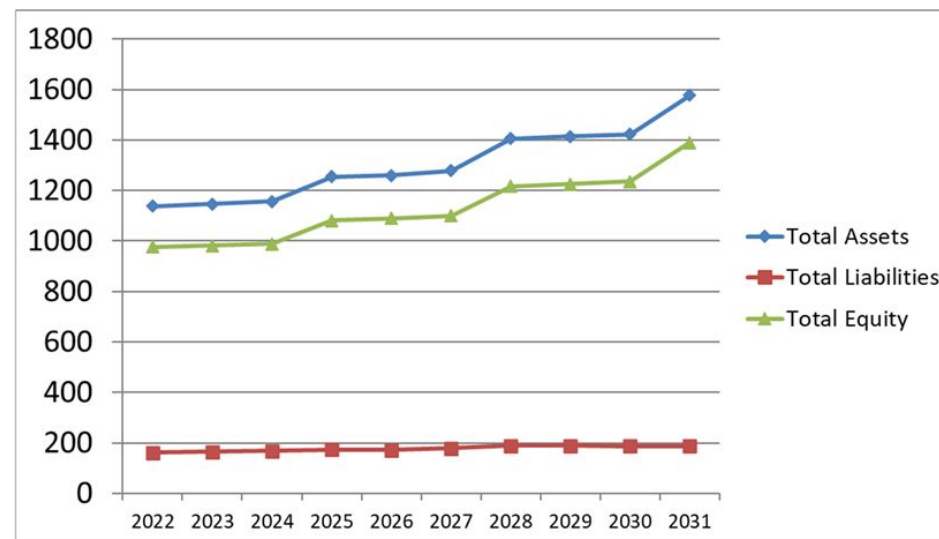
FINANCIAL STRATEGY

Using the database, there is a significant apparent spike in renewal expenditure of \$60m in 2021/22. The renewals consist largely of roading basecourse which is beyond its expected remaining life as per the database. We use asset condition to determine our forward renewal programme. While the roading surface above the basecourse has had its life extended through condition assessments and renewals (resealing), the remaining life of the basecourse underneath has not had its remaining life adjusted when roads have been resealed. This is fundamentally a data quality issue and remaining life will need to be revised to match actual condition.

Forecast Financial Position – so what will happen to our Financial Position for the next 10 years?

The projected financial position shows what we own (Assets) and what we owe (Liabilities) and the difference between them (Equity) is effectively the net value belonging to the Council. Over the ten years it is forecast that our equity will grow from about \$976.5 million to \$1.40 billion. The anticipated increase in the value of our fixed assets, including the Hāwera Town Centre Strategy implementation, town centre plans, South Taranaki Business Park, water, wastewater, stormwater and roading assets, reflects the investment made in these areas as well as future investment and the revaluations of the assets over the next ten years.

Forecast Financial Position (\$m)

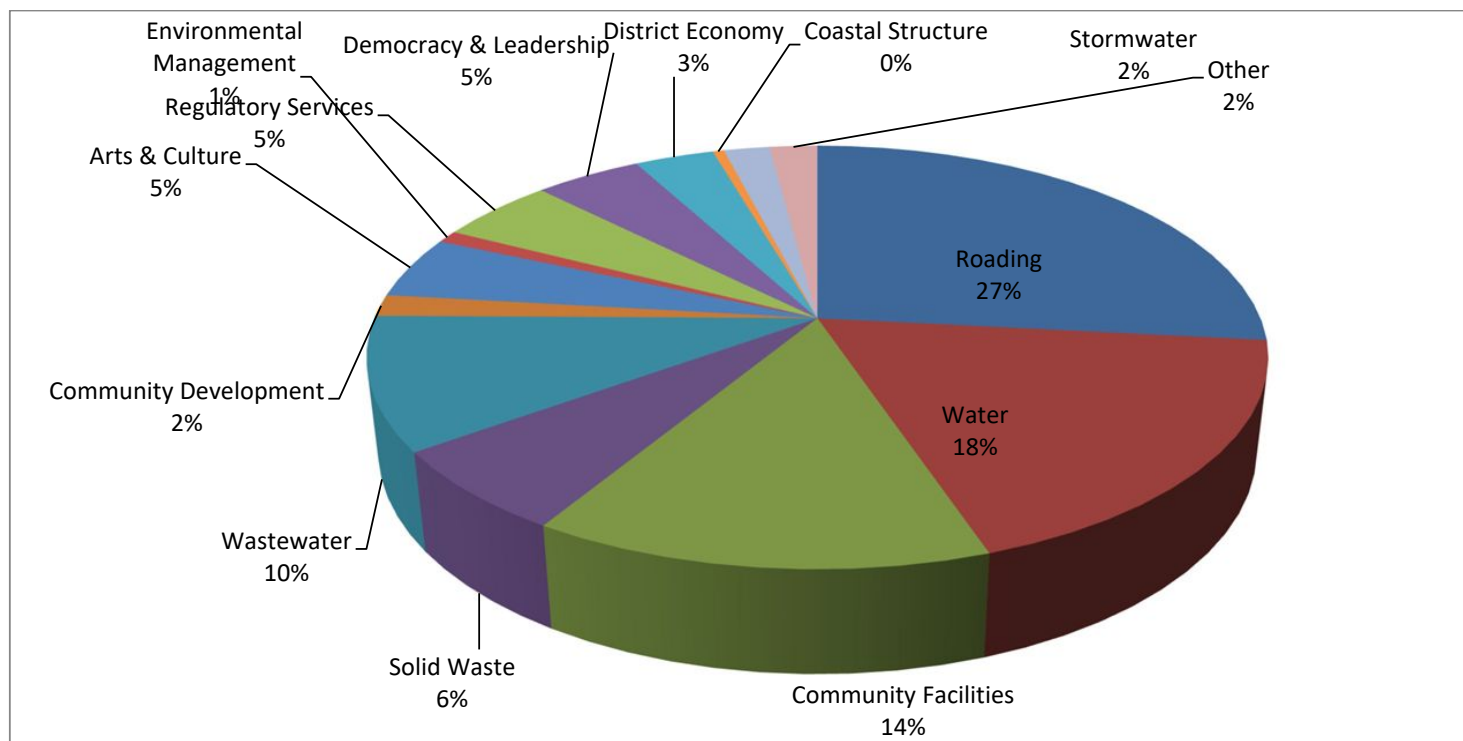


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Forecast Expenditure and Income (over the next 10 years)

The forecast expenditure shows what we intend to spend on each group of activities. The forecast spending on water, wastewater, stormwater, roading, solid waste and community facilities totals about 77% of our overall spending.

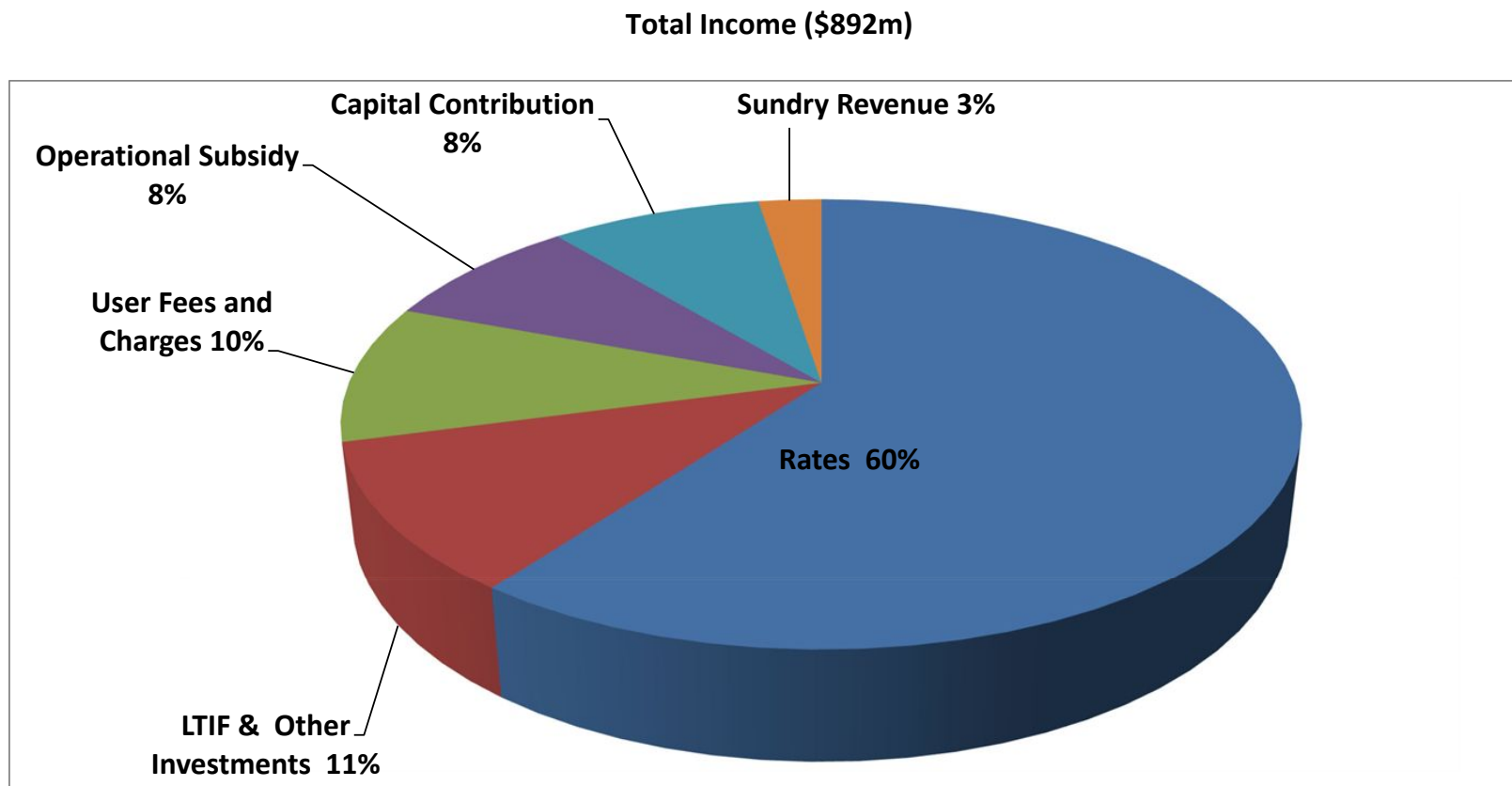
Total Expenditure (\$811m)



FINANCIAL STRATEGY

Forecast Income (over the next 10 years)

The following graph shows what we are forecasting as income from different income sources. Our total income from rates makes up about 60% of the total income, followed by 11% from the Fund.



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Keeping rates affordable

Limits on Rates and Rates Increases

Our total rates income is forecast to increase from \$42.3m in 2020/21 to \$44.3m in 2021/22 and to \$62.5m by 2030/31. We want to provide ratepayers with a degree of certainty over future rates movements and propose to limit average rate increases over the next 10 years to no more than 4.75%. This 'cap' is made up of the forecast 2.75% increase in the Local Government Cost Index (LGCI) plus 2%, for District growth and some changes to increases in levels of service.

The majority of our forecast income for 2021/22 will be made up of rates (58%), investment income and subsidies (19%) and user fees and charges (9%).

We aim to limit rates income each year to a range of 60-65% of total forecast revenue, and will seek to reduce the amount collected by rates while continuing to fund activities as per our Revenue and Finance Policy.

The District Rate (includes General Rates, UAGC and the Rooding Rate)

In 2021/22 the District Rate will increase by 3.75%. Over the ten years it will increase by an average of 3.63% per annum. The increase mainly reflects inflation and increased costs related to anticipated maintenance, repairs and renewal expenditure.

Targeted Rates

The wastewater targeted rate will increase by an average of 5.78% per annum over ten years.

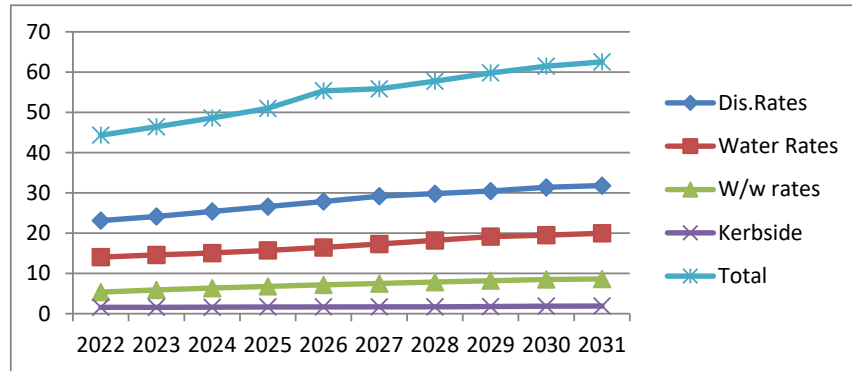
The kerbside collection rate will reduce by 17.39% in 2021/22 to \$218.50, down from \$264.50 in 2020/21. It will remain the same until 2023/24. The rate will increase by 5.26% in 2024/25. It will then remain the same until 2027/28. The rate will increase by an average of 4.01% per annum for the remaining three years.

The urban water targeted rate will increase by an average of 3.70% per annum over ten years.

We have different Urban Water Supply rates for various metered water users. For extra high users, the per cubic meter rate will increase by an average of 2.63% per annum, over ten years. For all other users, the per cubic meter rate will increase by an average of 3.45% per annum over ten years. From 2025/26, the per cubic meter rate for town, high and extra high users will be same.

FINANCIAL STRATEGY

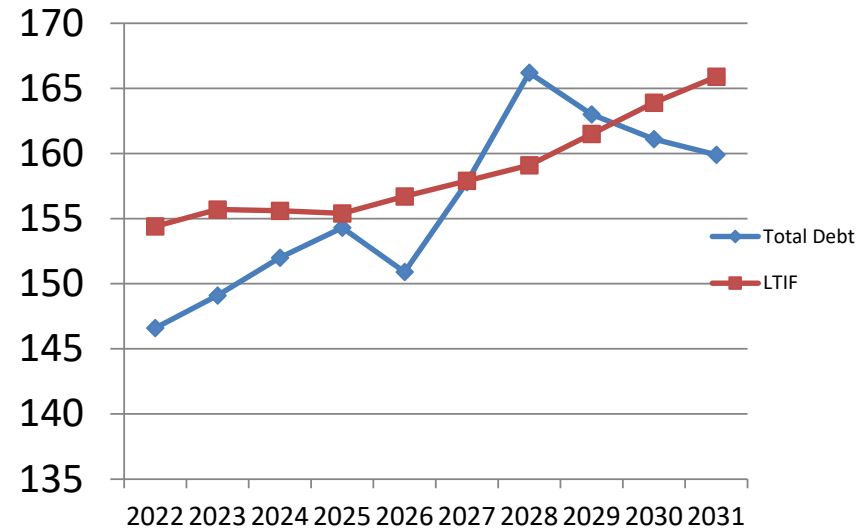
Future Rates (\$m)



Our debt is forecast to be \$166.2m in 2027/28, reducing to \$159.9m in 2030/31. (These numbers include internal borrowing).

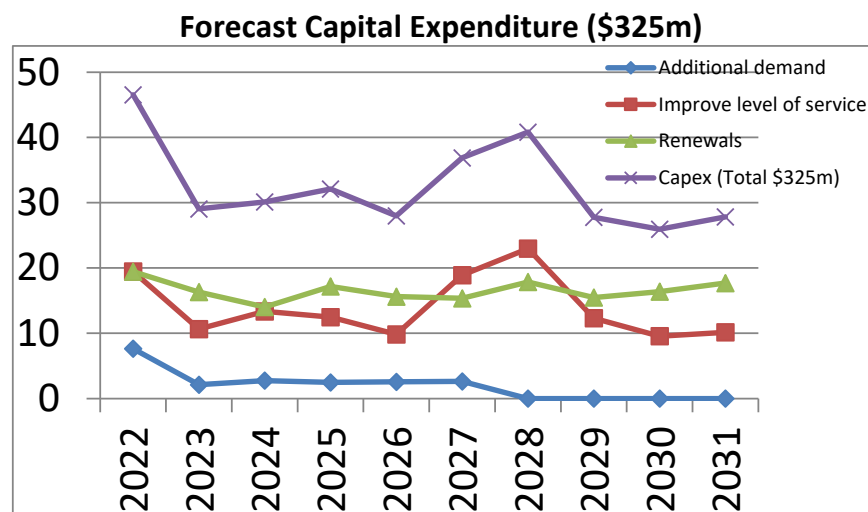
The Fund is forecast to be \$159.1m in 2027/28 increasing to \$165.9m in 2030/31. (These numbers include internal borrowing).

Forecast Debt & LTIF (\$m)



Our total forecast capital spending is \$325m for the ten years. The total capital spent on infrastructure assets is forecast at \$274.4m for the ten years. We have completed the final stages of its major network infrastructural improvements and spending will mostly be on renewals for the next 10 years except for the Hāwera Town Centre Strategy projects.

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Renewal expenditure is usually funded from depreciation reserves. The loan repayments and interest costs are funded from depreciation, savings made from the Local Government Funding Agency (LGFA) and the rates.

As a Principal Shareholding Local Authority of the LGFA we are able to access long term funding at cheaper rates than previously. Over the last six years we have used these savings to increase loan repayments. We are forecasting to repay \$63m (including \$12.4m for internal loan repayment) in loan repayments and increasing new loans by \$78m over the next ten years.

Our Net Debt

If you consider our peak debt of \$166.2m and our investment Fund of \$159.1m in 2027/28, including internal borrowing, our net debt is expected to be \$7.1m in 2027/28. We are forecasting to repay about \$66m (including \$12.4m for internal loan repayment) in loan repayments for the next ten years and forecast a \$95.6m increase in new loans over the same period. The repayment periods for loans will on average be 30-35 years.

Effective Management of Debt

Debt – How will we manage our debt?

We have incurred debt to help pay for infrastructure across the District. We could pay off debt by using our investments; however, we consider it is more prudent to continue borrowing while the cost of borrowing is low and the return on investments outweighs the cost of financing debt and associated debt repayment. Our focus is to make sure the debt repayment profile matches the life of the assets and the repayment period for loans will on average be 30-35 years.

Before taking on new debt, we need to consider other funding mechanisms such as funded depreciation, external contributions, capital contributions and special reserves as well as considering the correct method of ensuring that intergenerational equity is maintained.

It is important to highlight the risk associated with the Fund and as a result the net debt position can go down or up depending on the performance of the Fund. The worst case scenario is the net debt position being \$140m by 2030/31, if the Fund performed at a negative return for the next ten years, although the risk of this happening is extremely remote. We believe the forecast debt levels are sustainable as they are within the Liability Management Policy limits.

FINANCIAL STRATEGY

The debt limits and interest rate limits are as follows for the next ten years:

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net Debt as a % of total income <150%	(16%)	(13%)	(10%)	(8%)	(12%)	(9%)	(3%)	(13%)	(25%)	(35%)
Net Interest Exp.% of total Rates <25%	5%	4%	4%	4%	3%	2%	2%	1%	0%	1%
Net Interest Exp.% of Total Annual Income < 15%	3%	2%	3%	2%	2%	1%	1%	1%	0%	0%
Net Debt per Capita < \$2000	(\$410)	(\$358)	(\$285)	(\$218)	(\$360)	(\$273)	\$(90)	(\$426)	(\$826)	(\$1,189)

We will maintain its liquidity ratio at a minimum of 110% as per the Policy depending on the cash and capital expenditure over the ten years.

If we reduce loan repayments, loan balances will remain at higher levels and put pressure on our future borrowings. We have to comply with our Liability Management Policy and as a result, future projects may have to be delayed if loans are not repaid within time. Increasing loan repayments and paying off loans before the time will result in overcharging current ratepayers. Our Liability Management Policy explains how it manages its interest rate risk by various ratios between fixed and floating interest rates. We review the Policy on a regular basis and Price Waterhouse Coopers provides regular advice to manage the risk.

Limits on Borrowing

We manage our borrowings prudently and is demonstrated by borrowing within our ability to service and repay debt without increasing the various limits in our Treasury policies and managing its future borrowing needs within these limits.

Security for Borrowing

We provide securities against its borrowings from external lenders. It recently provided a guarantee to the LGFA and the amount of the guarantee will be reduced as more councils join the LGFA as shareholders in the future.

We provide different types of guarantees, such as our assets and rates revenue.

Economic Climate and Population

South Taranaki continues to grow marginally and mostly in a residential nature. The District will continue to feel pressure to maintain, create and improve infrastructure at affordable rates. Our forecasting assumption for population change and change in land use assumes the risks for growth and change in land use is low.

We have contributed to the development of Tapuae Roa: Make Way for Taranaki, the Taranaki Regional Economic Development Strategy August 2017. The core focus of Tapuae Roa is people, as it is people that take economies forward. Our partnership with Venture Taranaki continues to provide valuable information relating to economic trends on the local economy and statistics, which assists our planning for the future.

RAUTAKI PĀKIHI

Digital technology presents one of the biggest opportunities and challenges for our District. The roll-out of ultrafast fibre by the Government will have an impact on our rural townships. A Digital Strategy is to be developed to ensure some groups do not miss out on the social and economic opportunities to access and adopt new technologies and new ways of doing things.

Return on Investments

Our Fund strategy clearly states the objectives and risks associated with the investment Fund. After seeking advice from its Investment Advisor, we believe the investment mix (listed on the next page) reflects the appropriate mix to achieve our objectives:

- To deliver income to subsidise rates by \$3.87m each year and an additional subsidy of \$1.73m to service loans for specific community projects and \$860,000 for the Hāwera Town Centre Upgrade and Earthquake Projects. The subsidies are reviewed every three years.
- To maintain the real value (as opposed to face value) of the capital of the Fund over time with respect to inflation.
- An investment fluctuation reserve will be established at a level appropriate for the risk.
- The Fund aims to earn an overall net real return (i.e. after fees and inflation) of 4% per annum over the longer term (rolling over 10 year periods).

The Fund currently has a healthy inflation fluctuation reserve (IFR) of approximately \$32m, as a result, we are proposing to use \$15m of funding from the IFR to fund some of the projects relating to other Town Centre Development including additional funding for the Hāwera Town Centre Project.

After seeking advice from its Investment Advisor, we have determined a Strategic Asset Allocation or Benchmark Portfolio that, in our view, best reflects our risk preference and is appropriate given its investment objectives:

Sector	Benchmark %	Ranges %
Trans-Tasman Equities	12.5	7.5 – 17.5
Global Equities	31.0	21.0-41.0
Low Volatility	6.5	0.0-13.0
Total Equities	50.0	
Global Property	5.0	0.0-10.0
Global Listed Infrastructure	5.0	0.0-10.0
Total Real Assets and Alternatives	10.0	
Total Growth Assets	60.0	50.0-60.0
NZ Fixed Interest	9.0	0.0-10.0
Global Fixed Interest	26.0	18.0-34.0
Cash and Short Term Securities	5.0	0.0-15.0
Total Income Assets	40.0	34.0-50.0

We have budgeted for the Fund to return an average of 4% (net of fees and inflation) over the next ten years. According to the risk associated with the Fund, 63% of the Fund is currently invested in Global Equities, Trans-Tasman Shares, Global Property and Global Listed Infrastructure. These investments are subject to market movements and the Fund has a potential risk of losing its value completely; however, as mentioned previously the risk is extremely remote.

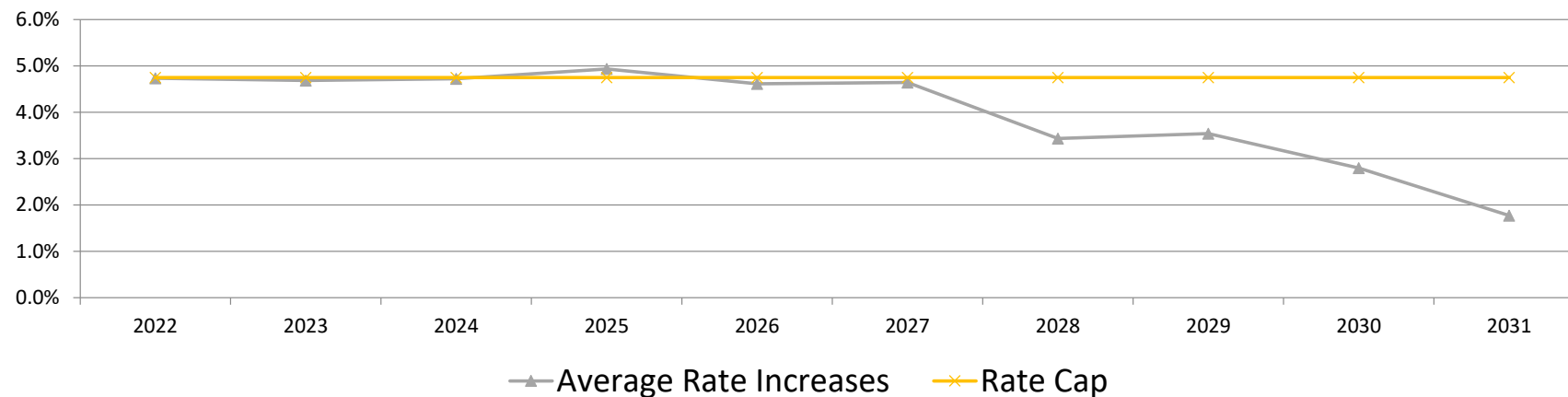
Affordability

Our costs (Local Government Cost Index - LGCI) are increasing at a higher rate than the consumer price index (CPI). The ongoing cost of servicing existing infrastructure and new assets is projected to continue to increase at higher rates. We acknowledge that balancing the increase in rates and maintaining and improving levels of service is a challenge and we are actively trying to encourage economic activity in our District.

FINANCIAL STRATEGY

Total Rate Limit (review for next 10 years)

Rate Cap	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LGCI	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Plus 2%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Rate Cap	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Average Rate Increases	4.73%	4.68%	4.72%	4.94%	4.61%	4.64%	3.43%	3.54%	2.80%	1.77%
Difference	0.02%	0.07%	0.03%	-0.19%	0.14%	0.11%	1.32%	1.21%	1.95%	2.98%



Explanation:

The total rate limits on the overall rate collection is on average 4.75% for the ten years. Our rate increases for the next ten years total rate collection is 3.99% on average.

RAUTAKI PĀKIHI

ABOUT YOUR RATES

Ten Year Projections for General and Targeted Rates (includes an allowance of inflation) - Including GST

Rate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
District Rate* (annual increase)	0.00%	3.75%	4.39%	5.20%	4.72%	4.76%	4.71%	2.14%	2.15%	3.08%	1.39%
General Rate – Cents per \$	0.08783	0.09225	0.09439	0.10004	0.10359	0.10676	0.10740	0.10340	0.10494	0.10430	0.10284
Roading Rate – Cents per \$	0.06789	0.06372	0.06738	0.06979	0.07412	0.07873	0.08610	0.09221	0.09355	0.10098	0.10493
UAGC	\$604	\$663	\$700	\$740	\$776	\$818	\$862	\$896	\$926	\$949	\$965
Targeted Rates											
Water targeted rate	\$624	\$661	\$690	\$713	\$730	\$759	\$794	\$828	\$863	\$874	\$897
Wastewater targeted rate	\$679	\$759	\$834	\$897	\$960	\$1,006	\$1,047	\$1,093	\$1,139	\$1,173	\$1,185
Kerbside Collection rate	\$265	\$219	\$219	\$219	\$230	\$230	\$230	\$230	\$242	\$253	\$259
Water meter only charge <= 32mm	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Water meter and backflow charge <= 32mm	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
Water meter only <= 40mm	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175
Water meter and backflow charge <= 40mm	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325
Water meter and backflow charge <= 50mm	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Water meter and backflow charge >50mm	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630
Water by meter rates per cubic metre											
Town	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban water High User	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban water Extra High User	\$2.84	\$2.97	\$3.06	\$3.11	\$3.13	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Waimate West (now include – Inaha)	\$1.08	\$1.10	\$1.13	\$1.16	\$1.22	\$1.28	\$1.33	\$1.40	\$1.46	\$1.48	\$1.51

* The district rate includes the UAGC, general rate and roading rate. The general and roading rates are calculated on the capital value of the property, so each property pays a different amount. Targeted rates are uniform charges (every property pays the same amount) with the exception of the water by meter charges which are volumetric (you pay for what you use).

FINANCIAL STRATEGY

RATING EXAMPLES – INCLUDING GST

Below are six property examples to show the impact of the rates increases for the next ten years.

Urban \$320,000 capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	281.07	295.20	302.06	320.13	331.48	341.64	343.68	330.88	335.79	333.76	329.10
Roading	217.26	203.90	215.61	223.34	237.20	251.95	275.51	295.09	299.35	323.14	335.78
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	2,669.78	2,801.01	2,960.26	3,111.53	3,264.82	3,406.58	3,551.28	3,672.86	3,803.74	3,906.05	3,970.34
Increase each year		131.23	159.25	151.27	153.28	141.76	144.70	121.58	130.88	102.31	64.28
Percentage increase		4.92%	5.69%	5.11%	4.93%	4.34%	4.25%	3.42%	3.56%	2.69%	1.65%

Urban \$480,000 capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	421.60	442.80	453.09	480.19	497.21	512.45	515.52	496.32	503.69	500.64	493.65
Roading	325.89	305.85	323.42	335.02	355.80	377.92	413.27	442.63	449.03	484.71	503.67
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	2,918.94	3,050.56	3,219.10	3,383.27	3,549.15	3,703.37	3,860.87	3,985.85	4,121.31	4,234.50	4,302.78
Increase each year		131.62	168.54	164.17	165.89	154.21	157.51	124.97	135.47	113.19	68.27
Percentage increase		4.51%	5.52%	5.10%	4.90%	4.35%	4.25%	3.24%	3.40%	2.75%	1.61%

RAUTAKI PĀKIHI

RATING EXAMPLES – INCLUDING GST

Urban \$600,000 capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	527.00	553.50	566.36	600.24	621.52	640.57	644.40	620.40	629.61	625.80	617.06
Roading	407.36	382.31	404.27	418.77	444.75	472.40	516.59	553.29	561.29	605.88	629.59
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	3,105.81	3,237.72	3,413.23	3,587.07	3,762.41	3,925.96	4,093.07	4,220.58	4,359.49	4,480.84	4,552.11
Increase each year		131.91	175.50	173.84	175.34	163.55	167.11	127.51	138.91	121.35	71.27
Percentage increase		4.25%	5.42%	5.09%	4.89%	4.35%	4.26%	3.12%	3.29%	2.78%	1.59%

Hāwera commercial/industrial \$600,000 capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	527.00	553.50	566.36	600.24	621.52	640.57	644.40	620.40	629.61	625.80	617.06
Roading	407.36	382.31	404.27	418.77	444.75	472.40	516.59	553.29	561.29	605.88	629.59
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Hāwera Business Rate	538.11	542.04	551.25	560.62	569.59	580.42	592.02	605.05	618.97	633.20	647.77
Total Rates	3,379.42	3,561.26	3,745.98	3,929.19	4,102.00	4,276.38	4,455.10	4,595.63	4,736.96	4,861.04	4,941.12
Increase each year		181.84	184.72	183.21	172.81	174.38	178.72	140.54	141.32	124.08	80.08
Percentage increase		5.38%	5.19%	4.89%	4.40%	4.25%	4.18%	3.15%	3.08%	2.62%	1.65%

FINANCIAL STRATEGY

RATING EXAMPLES – INCLUDING GST

Rural \$5.3 million capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	4,655.15	4,889.28	5,002.87	5,302.08	5,490.08	5,658.34	5,692.20	5,480.24	5,561.57	5,527.92	5,450.67
Roading	3,598.33	3,377.08	3,571.09	3,699.13	3,928.62	4,172.90	4,563.17	4,887.39	4,958.02	5,351.97	5,561.40
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Total Rates	8,857.49	8,929.51	9,274.30	9,740.7	10,194.34	10,648.98	11,117.45	11,264.02	11,445.69	11,829.04	11,977.27
Increase each year		72.03	344.79	466.47	453.57	454.64	468.47	146.57	181.66	383.36	148.23
Percentage increase		0.81%	3.86%	5.03%	4.66%	4.46%	4.40%	1.32%	1.61%	3.35%	1.25%

Rural \$8 million capital value property

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	7,026.64	7,380.04	7,551.51	8,003.13	8,286.91	8,540.89	8,591.99	8,272.07	8,394.82	8,344.03	8,227.42
Roading	5,431.44	5,097.47	5,390.33	5,583.59	5,929.99	6,298.72	6,887.80	7,377.19	7,483.81	8,078.44	8,394.56
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Total Rates	13,062.09	13,140.67	13,642.17	14,326.29	14,992.54	15,657.35	16,341.88	16,545.65	16,804.72	17,371.63	17,587.20
Increase each year		78.58	501.50	684.12	666.25	664.81	684.53	203.77	259.07	566.90	215.57
Percentage increase		0.60%	3.82%	5.01%	4.65%	4.43%	4.37%	1.25%	1.57%	3.37%	1.24%

**COVER PAGE – INFRASTRUCTURE STRATEGY
RAUTAKI**

INFRASTRUCTURE STRATEGY

WHAT IS INFRASTRUCTURE?

Infrastructure is the term for the pipes, treatment plants, roads and other assets that are essential for sustaining public health, getting around and doing business. Infrastructure is recognised as an enabler of economic growth in the regional economic development strategy.

Section 101B of the Local Government Act 2002 (LGA02) requires us to have an infrastructure strategy that includes:

- Water supply
- Wastewater
- Stormwater
- Flood protection and control works
- Roads and footpaths

South Taranaki has no flood protection works as most of the coastline is well above sea level and rivers drain quickly from Mount Taranaki. However, the Council owns and maintains the moles (breakwaters) at the mouth of the Pātea River, which have a significant replacement value. For this reason coastal structures have been included in this Strategy along with:

- Solid waste
- Parks and reserves
- Community facilities

The LGA02 requires us to have a significance policy that identifies the assets we consider are strategic. The LGA02 defines strategic assets as those we have identified to achieve or promote any outcome, we consider is important for the current or future well-being of the community. Our strategic groups of assets are:

- Water – all assets except buildings;
- Wastewater – all assets except buildings;
- Stormwater – all assets except buildings;
- Roding – all assets;
- Solid waste – all assets except buildings;
- Coastal structures; and
- Housing for older people – all units.

We have ten potable water supplies, eight wastewater schemes, an extensive roading network of 1,633km and a good range of parks, reserves, and community facilities. The assets used in the delivery of services to our communities is currently valued at \$1.068 billion.

ABOUT THE STRATEGY

This Strategy states how the Council intends to manage its infrastructure assets over the next 30 years. It outlines:

- The key infrastructure challenges we face;
- The main options for dealing with these issues;
- The cost and service delivery implications of those options; and
- The preferred scenario for infrastructure provision.

The Strategy allows us to develop a long-term view of the sustainability of our infrastructure. We have identified five themes for the development of the 2021-2031 Long Term Plan (LTP):

- Encouraging sustainable growth;
- Managing our resources effectively;
- Keeping rates affordable;
- Effective management of debt; and
- Ensuring environmental sustainability.

These themes underlie the priorities and projects we propose to carry out over the next 30 years and form the basis of both the 2021-2031 LTP and our Financial Strategy. They reflect the balance between focusing on the basics and providing value-added services for our community at an affordable cost. The projects outlined in this Strategy have been planned to help achieve these key outcomes.

RAUTAKI

This Strategy has been developed in the context of a number of other documents and projects, including:

- Asset Management Plans – provide an outline of the asset management works required to prudently manage infrastructure and deliver essential services to the community.
- Financial Strategy – outlines the financial context in which the Council operates and the financial implications of the projects planned through this Strategy.
- 2021-31 LTP – while this Strategy has a 30-year planning horizon, the projects planned for the first ten years are included in other sections of the LTP.
- The South Taranaki District Plan – identifies areas where new or upgraded infrastructure will be required to cater for growth in the District over the next ten years.
- The Taranaki regional economic development strategy (Tapuae Roa: Make Way for Taranaki) and Taranaki 2050 Roadmap highlight economic development issues and opportunities for the Taranaki region and sets out Taranaki's transition plan to a low-emissions economy.
- Hāwera Town Centre Strategy and Ōpunakē, Manaia, Eltham, Pātea and Waverley town centre plans – highlight actions for the redevelopment of our town centres.

Many of our infrastructure assets have a very long life. For example, water pipes have an expected life of 60-100 years, which means there is a long planning horizon for initial provision and renewal, and both can present cost peaks that need to be planned for well in advance. This Strategy provides the long term perspective required to assess whether there are hidden investment gaps or affordability issues beyond the ten-year planning horizon provided in the 2021-31 LTP.

We need to provide the services and facilities our communities expect while keeping rates at an affordable level, from a relatively small base of ratepayers spread across a large geographic area. Spending on infrastructure accounts for around 63% of our operating budget and 84% of capital expenditure.

While we are mindful of anticipated changes to legislation and the need to upgrade infrastructure to meet new requirements, our biggest challenge is to build and deliver what we have said we will do – in the current climate of scarce resources there is strong nationwide demand for skilled people, equipment and materials. Failure to deliver on key projects and programmes is identified as a strategic risk for the organisation and has been a focus for improvement.

Infrastructure assets cannot be planned in isolation because issues that shape our community can also influence the management of our infrastructure. Significant issues may include economic factors and/or demographic changes that affect the community's ability to pay for infrastructure; growth or decline in population in particular areas within the District; natural hazards and climate change; reducing emissions.

INFRASTRUCTURE STRATEGY

Our Themes for the 2021-31 Long Term Plan

Encouraging Sustainable Growth

Infrastructure provision is influenced by a number of factors that are not constant across networks or activities. For example, our roading network has substantial capacity and is unlikely to be significantly affected by an increase or decrease in population, or new businesses being established. However, the water supply and wastewater activities can be significantly affected by increasing population, new or expanded industries or growth in the existing agricultural sector.

We have received enquiries from businesses looking to establish commercial and industrial activities and to help facilitate development. Additional water and wastewater capacity has been incorporated into recent infrastructure upgrades in Hāwera. A mixed use area has been identified on Waihi Road, Hāwera (South Taranaki Business Park) to support commercial and industrial growth. In September 2020, \$3m was approved for detailed design and installation of infrastructure, including water supply, wastewater, roading and initial stormwater services to this area.

Two urban growth areas to the north and west of Hāwera have been identified in the proposed District Plan. These are known as the Hāwera West Structure Plan and the South Taranaki Business Park Structure Plan.

The area encompassed by the Hāwera West Structure Plan has received a detailed engineering analysis, with recommendations as to the anticipated capacity of area and the layout of serving infrastructure.

After a long period of no or negative growth we expect modest growth of 0.7% per year experienced over the last three years to continue. Infometrics Limited (an economics consultancy) predicted in January 2020 a 0% to 0.3% increase every year from 2021 (28, 837) to 2051 (29,471), for an overall increase of 2.2%. Infometrics have advised that the Covid-19 pandemic in 2020 is likely to result in less migration to Taranaki and growth may be less than predicted for at least the first two years after the pandemic.

Anecdotally, the picture may be more positive but there are no statistics to support that. Based on recent trends, most of our rural areas are likely to experience small decreases in population during the ten-year planning period while some growth in our towns is predicted. Hāwera and its environs is the most likely area for growth, and we have planned for a potential increase in demand for water and wastewater services for the remainder of the 30-year term of this strategy. As New Plymouth continues to grow, we expect some residual growth into South Taranaki.

We have a much improved and reliable water network. Along with this, we have made progress with the Hāwera Town Centre redevelopment, South Taranaki Business Park, town centre master plans for Ōpunakē, Manaia, Eltham, Pātea and Waverley.

RAUTAKI

Significant Projects



TABLE 1: KEY PROJECTS ENCOURAGING SUSTAINABLE GROWTH

Project	\$\$	Years
South Taranaki Business Park water supply Mains, stormwater, wastewater, roading	\$12.1m	Y1 – Y6
Waverley Town Centre Master Plan	\$2m	Y1 – Y9
Pātea Town Centre Master Plan	\$2.3m	Y2 – Y10
Eltham Town Centre Master Plan	\$2.3m	Y1 – Y10
Ōpunakē Town Centre Master Plan	\$2.2m	Y2 – Y10
Manaia Town Centre Master Plan	\$1.8m	Y1 – Y10
Hāwera Town Centre Additional Projects	\$4.6m	Y3 – Y10

Managing Our Resources Effectively

The majority of the works planned in this Strategy involves renewing existing infrastructure, maintaining current assets and core services, and improving wastewater infrastructure. Our priorities are reducing water loss (leakage) within our water networks and reducing water entering our wastewater networks (sewers), which will reduce the demand on our treatment plants and delay the need for further investment. Along with this we are also focused on data quality improvement across our asset base.

Managing our Assets

Managing and maintaining our infrastructure assets to ensure consistent and reliable service delivery to the community requires good asset management practices and a clear strategy. The maintenance, renewal, and capital expenditure programme for our core assets is based on the information in our asset management plans and asset databases. This is the best information available to us about the assets. For some (for example, underground pipes) the information around age, type, and quantity is very reliable. However, information around condition has limitations and will be updated as new information becomes available. This could change the costs or timing of planned expenditure.

We need to improve the condition data of our assets so we can optimise our whole-of-asset-life decision-making and planning. This involves testing physical samples of water pipes (planned and following a pipe failure) and CCTV inspections of wastewater and stormwater pipes as well as visual inspections.

Capital works programme

The COVID-19 pandemic in 2020 halted our capital works programme for two months and this had a flow-on effect into our forward programme. As a result, we have reviewed and adjusted our capital works programme.

The Government’s funding of “shovel ready projects” has already begun to put pressure on contractor availability and is likely to have an impact on supplies of materials such as aggregate for roading and building, and timber. The construction of Te Ramanui o Ruapūtahanga and the extension and upgrading of Nukumarū Station Road have been approved as “shovel ready” projects. We expect contractors will continue to be available to undertake our asset maintenance, but competition for contractors could affect our levels of service and/or increase our maintenance costs.

INFRASTRUCTURE STRATEGY

Capital works delivery plan

Experience shows we have been capable of delivering no more than \$20 million-worth of work per year. With a capital works programme of around \$28million per year for years 1-3 of the LTP, we have taken a number of steps to ensure that we can deliver the capital works programme that has been set.

Our ability to complete our works programmes is affected by a number of external factors which are largely beyond our control. This includes the availability of contractors and materials, delays due to legal proceedings, stakeholder engagement resulting in a change in project, and of course COVID-19 lockdowns etc.

While we are mindful of anticipated changes to legislation and the need to upgrade infrastructure to meet new requirements, our biggest challenge is to build and deliver what we have said we will do. Failure to deliver on key projects and programmes is identified as a strategic risk for the organisation and has been a focus for improvement. We have reviewed our asset and project management processes over the last two years and have taken a number of steps to ensure that we can deliver the capital works programme set:

- Our Projects team is made up of a manager, a Senior Projects Engineer, three Project Engineers and a Projects Officer. This team has been increased in the last two years (2 additional fulltime Project Engineers) and recruitment for another Projects Engineer is currently underway.

- During the COVID lockdowns our Projects Manager anticipated difficulty in resource availability and purchased approximately \$1million of pipe. We now have that pipe available to deliver water reticulation renewals projects in years one and two of the LTP.
- This team is not solely responsible for the delivery of the entire capital works programme, they largely focus on 3 Waters and Roothing projects. Other projects are largely delivered within their own teams ensuring the Projects team can focus on the core infrastructure projects.
 - Implementation of the Town Centre Master Plans will be managed through the Community Development team (which has had one FTE added to the team in anticipation of this work beginning).
 - We are working with a consultant for the design and planning for delivery of our Digital Transformation Strategy as well as employing an IT Service Delivery Lead to manage the cross organisational aspects of rolling out the new technology.
 - In year one of the LTP construction of Te Ramanui o Ruapūtahanga will be commenced (total project cost is over \$8m). Plans and design work has been completed and this construction project is being managed by external project managers.
- Given the significance of the South Taranaki Business Park project, we are in the process of engaging a consultant to oversee this which includes 3 Waters and Roothing infrastructure. This will allow the Projects team to focus on

continuing to design and tender for other infrastructure replacement and renewal projects.

We have placed a strong focus on preparing designs for infrastructure projects ahead of the budget for construction in this LTP. There are several projects that are currently being designed or have already been designed and ready to go as soon as the LTP is adopted, including watermain replacements and stormwater renewals

Risk

Non-delivery of key projects and our capital works programmes is considered a strategic risk along with the failure to manage critical and strategic assets within the District. Inability to complete our capital works programmes could expose our communities to the following risks:

Water Supply

- Watermain breaks causing service interruptions and increasing the amount of water we must take to make up for the water loss, which may exceed our water take consents.
- Continued levels of unaccounted for water that mean we must take more water to make up for these losses, which increases our treatment costs.
- Lack of resilience – insufficient storage in emergencies such as natural disasters and during flooding events when the source water is too dirty to treat.

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Wastewater

- Continued levels of inflow and infiltration that overload our treatment plants and reduce the effectiveness of the treatment processes, so that partially treated effluent is discharged to the environment and contravening our consents in terms of quality and quantity.
- Overloading of the reticulation during heavy rain events, causing overflows at our pump stations and contamination of the surrounding areas.
- Loss of electricity supply to our pump stations, resulting in wastewater overflows and contamination of the surrounding areas.
- Failure to improve our networks and treatment systems to meet more stringent consent requirements.

Stormwater

- Flooding of properties and roads.
- Increased inflow to our wastewater systems, causing overloading of the wastewater reticulation and treatment plants.

Roading

- Loss of access to properties and services, reduced level of service.
- Increased number and severity of crashes.

Financial risks are explained in detail in the Financial Strategy.

Levels of Service

The service provided by each infrastructure area is defined by the levels of service that are described and measured for each activity and these are set out in the Long Term Plan.

Levels of service have a direct impact on rates and user fees and charges. They are directly related to performance measures that provide a balanced picture of the important aspects of the levels of service as well as the purpose of the activity. We are required to use a standard set of performance measures for the three waters and the roading and footpaths activities when reporting to the community. In addition to the mandatory measures we have performance measures that show how satisfied residents are with the services and facilities we provide. The annual resident satisfaction survey gathers feedback about how well people think our services are being provided, whether directly by the Council or via its contractors.

Through the Long Term Plan process, we communicate with the community about the current levels of service. At times we have proposed reductions in some levels of service or discontinuing some services. In each case, the public soundly rejected the proposals, preferring to keep the model the same and therefore paying for the services they receive.

INFRASTRUCTURE STRATEGY

This Strategy is based on the assumption that our current levels of service will be maintained for the next 30 years, although we are aware that the three waters reforms may bring change. In order to maintain existing levels of service, infrastructure assets will need to be maintained in a condition that will support these levels. This means we will focus on the renewal of assets rather than major new projects, apart from those projects outlined in Table 1.

Table 2 below shows the key levels of service for our core infrastructure areas.

TABLE 2: KEY LEVELS OF SERVICE

Category	Level of Service
Water Supply	Our water supply is managed sustainably. Consumers are satisfied with our water supply service.
Wastewater	We manage wastewater without risk to public health. Wastewater does not affect the quality of the environment. Residents are satisfied with our wastewater services overall.
Stormwater	We provide a reliable stormwater system that prevents houses from flooding. Our stormwater system is managed sustainably. We will respond promptly to reports of flooding and customer requests. Residents are satisfied with the stormwater system.
Solid Waste	We provide a reliable weekly kerbside recycling and rubbish collection service. We provide a reliable, well managed user pays fortnightly kerbside greenwaste collection service. Our transfer stations are safe and well maintained. We encourage recycling and reducing waste sent to landfill.
Roads and Footpaths	We provide roads that are safe and comfortable to drive on. Our roading network is maintained in good condition. Our footpaths are maintained in good condition and are fit for purpose. We will respond promptly to customer service requests for roads and footpaths.
Coastal Structures	We comply with the Taranaki Regional Council resource consent conditions for our coastal structures.

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Three Waters Reform

New legislation, Taumata Arowai – The Water Services Regulator Act 2020 establishes a new Crown entity, Taumata Arowai – the Water Services Regulator from 1 July 2021. The new entity will be responsible for administering and enforcing a new drinking water regulatory system and the Act also establishes a Māori Advisory Group.

The Water Services Bill that has been introduced to Parliament will introduce major changes in service delivery. Should the Bill proceed as expected, our three waters (drinking water, wastewater, and stormwater) assets and operations will pass to a new regional or multi-regional organisation that will be responsible for managing these services.

This Strategy has been prepared on the basis that we will still own and operate our three waters services at least until the end of the three-year planning period. We remain engaged with the Government on the reform process and continue to gather information to help us make an informed decision at some point in the future.



Water Supply

Water is recognised as essential for the health and well-being of our population and is required in large volumes to sustain our domestic, agricultural, and industrial customers. Our community expects to be able to receive good quality drinking water and that additional water is accessible to facilitate economic development. Reducing water wastage and making sure we manage our water resource in an environmentally sustainable way is also important. Our goals for water supply are:

- Ensuring reservoir security of supply during flooding events (dirty water).
- Compliance with our water safety plans.
- Improved water demand management.
- Security of supply for water sources.
- Ongoing asset renewals.

Our assets include water treatment facilities, reservoirs, water mains and service connections. Water sources are streams and bores and the supplied water meets the Drinking Water Standards of New Zealand. We also own the Nukumarū Water Supply assets, but this non-potable supply is managed by the farmers it serves.

Assets













 11 surface water intakes	 26 boreholes	 10 water treatment plants	 37 reservoirs
 33 resource consents	 641km of water mains	 71 pipe bridges	 37 PRV stations
 1429 fire hydrants	 10,899 connections	 4 filling stations	 23,301 people served
10.7 million m ³ water extracted per year	Average daily water production 29,433 m ³ /d	\$282.6m 2020 replacement cost	\$153.7m 2020 fair value

Figure 1: Water Supply Assets

INFRASTRUCTURE STRATEGY

Challenges

We are working to identify additional water sources to meet an increasing demand for water and our area of highest priority is the interconnected supply area of Waimate West, Inaha and Kāpuni. Stage one has been completed to form a link between the Kāpuni and Inaha water schemes. Investigations for additional resources are underway, with a view to commissioning in 2021/22.



Pātea has a vulnerable supply due to its full reliance on bore water and the unsuitability of the nearby river water. High residential water demand and low rates of aquifer recharge during dry summers can potentially hinder the continued supply of the bore water. These issues may result in an increase in water restrictions and/or metering for new residential connections.

We have set challenging targets for leakage and loss (unaccounted for water), which are high in some parts of the network. For example, losses are 6.1% in the Waimate West scheme and almost 33% in the Eltham supply. This will be addressed through pipe renewal projects.



The installation of remote monitoring has given us greater visibility and faster response around failure rates of meters for large users. We will improve our meter replacement programme to better reflect the established lifecycle of meters. Likewise, our meter-backflow project has demonstrated a number of users who were taking excessive amounts of water from our network and we plan to continue auditing demand for extraordinary users to ensure that they are being fairly charged for water.



In the short term, water losses are likely to impact the consents for Eltham, Kāpuni and Inaha and will drive improvements in plant efficiency and stronger demand management strategies.

Table 3: Key Water Issues and Challenges

 • Key Issues/ challenges	 •What we will do
Taste and odour issues at Eltham and Waverley and discoloured water at Ōpunakē.	Ōpunakē – clean mains and pipes and consider pre-treatment processes to resolve discolouration. Waverley clean mains and pipes. Eltham improve treatment process.
Reducing unaccounted-for water through improved demand management to ensure there is enough water to go around.	<ul style="list-style-type: none"> • Quantifying leakage and loss in all water supply schemes and actively managing water demand. • Water conservation initiatives, leak detection and repair. • Complete metering and monitoring of extra-ordinary users. • Improvements to monitoring of treatment plant performance. • Publicity campaigns.
Building more resilience into our water supplies.	<ul style="list-style-type: none"> • Ensuring design consideration includes climate change and mitigates the effects of natural disasters. • Increasing reservoir capacity up to a minimum of one day’s peak demand volume. • Improving linkage among schemes.

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 • Key Issues/ challenges	 •What we will do
New growth areas, for example the South Taranaki Business Park in Hāwera and housing developments	<ul style="list-style-type: none"> • Infrastructure development structure plans. • Hāwera to Normanby water supply resilience.
Resolving water demand issues around Turuturu Road, Hāwera.	Supply resilience enhancements.
Asbestos cement pipes in Waimate West and Inaha that are deteriorating faster than initially expected.	<ul style="list-style-type: none"> • Monitor condition and continue the renewal programme.
Deferral of renewals during the 2010s, resulting in increasing frequency of pipe failures.	<ul style="list-style-type: none"> • Monitor condition and continue the renewal programme.
Renewal of water extraction consents is becoming more difficult, creating issues with security of supply during dry summer months.	Increased demand and loss management. Increase publicity. Investigate feasibility of rainwater tanks for domestic irrigation. Water supply agreements for major users. Restrictions as required.

 • Key Issues/ challenges	 •What we will do
Improving asset performance monitoring, condition assessment and maintenance system	Developing systems to improve asset data quality. Ensure we better understand how our assets are performing and their condition.
Maintenance and renewal of site services assets, for example buildings, electrical and instrumentation, communication	Asset data needs improvement. Condition assessment and maintenance strategy to be deployed.
Developing more accurate predictions for water main renewal	Improved methods of pipe condition assessment.
Full compliance with the Drinking Water Standards for New Zealand (DWSNZ).	Upgrade potable water treatment plants to meet the drinking water standards.
New regulator, potential future increases in the Standards.	Include future changes in design consideration.

Renewals

We consider condition assessment data, together with performance metrics such as records of water main failures to generate the renewals programme and have developed a rolling programme of pipe renewals.

We have focussed on condition assessment of asbestos cement (AC) water mains as they deteriorate much faster than anticipated and we have revised our renewals programme for AC pipe. This is having an effect on our Financial Strategy because of these premature renewals. There are a substantial number of water mains which will require renewal in the short term.

Figure 2 shows the detail of the reticulation and treatment plant renewals programme based on the assessment of our water assets (blue line). The database renewals show a spike in years 2023, 2025, 2034, 2039, 2040 and 2050. In order to manage the work required to replace these assets the programmed budgets for achieving this work has been smoothed out over 30 years (orange line).

The risk of not completing our renewals programme can result in watermain breaks; exceeding our water take consents; continued levels of unaccounted for water; insufficient storage in emergencies and/or natural disasters.

INFRASTRUCTURE STRATEGY

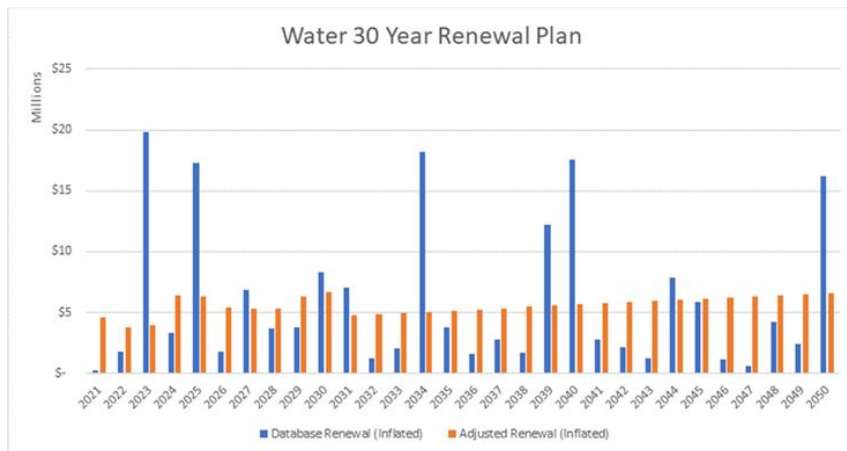


Figure 2: Forecast Water Supply Renewals

Wastewater

Protecting public health by taking domestic, commercial, and industrial wastewater and treating it before discharge is an important issue for our community. We have eight urban wastewater schemes where wastewater is transferred to wastewater treatment plants before it is safely disposed of.

The discharges are monitored and regulated by the Taranaki Regional Council (TRC), which grants resource consents that include conditions that must be met. All but the new Waiinu Beach treatment plant consist of oxidation ponds and the treated effluent is discharged in line with the consents.

Like most wastewater networks around New Zealand, our reticulation suffers from rainwater getting into the pipes, either from the direct connection of roofs or paved areas or from ground water infiltrating into buried pipes through defects such as cracks. The impact of this is that the reticulation system may exceed its capacity and overflow during high rainfall events. Ongoing management of these issues is a high priority, both to protect the health of the community and the environment and to ensure we can demonstrate our environmental compliance.

Disapproval of uncontrolled emergency discharges of untreated wastewater to the environment is increasing. As consents are renewed it is likely that increased treatment of wastewater will be required, along with identifying and implementing alternative ways of discharging from the plants.

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Our goals for the wastewater activity are mostly associated with:

- Continuity of electrical power supply for pumps and treatment plants.
- Improving resilience, performance, and monitoring of wastewater pump stations.
- Reduction of infiltration and inflow of water into the sewer networks.
- Discharge quality improvements resulting from consent renewals.
- Compliance with our regulatory requirements.
- CCTV condition assessments and renewals.
- Improved management of trade waste.
- Ongoing asset renewals.

Assets









 35 pump stations	 188km wastewater mains	 2,486 manholes	 8 wastewater treatment facilities
 202 valves	 7,524 connections	 17 resource consents	 12,500 people served
4.6 million m ³ wastewater treated per year	Average daily wastewater treated 12,690 m ³ /d	\$119.8m 2020 replacement cost	\$65.0m 2020 fair value

Figure 3: Wastewater Assets

The majority of wastewater collection and treatment systems have sufficient capacity for the next ten years. Future challenges include managing wastewater pond sludge and reducing the levels of inflow and infiltration into our pipe network, especially with the likely removal of consented emergency overflows in the coming years.

INFRASTRUCTURE STRATEGY

Challenges




 Key Issues/ challenges	 What we will do	 Key Issues/ challenges	 What we will do
<p>Stormwater inflow and infiltration into the wastewater network</p> <p>High discharge from wastewater treatment plants caused by high volume of trade waste loading</p> <p>Resource consent compliance</p> <p>Expiring resource consents. Renewal is expected to result in expensive tertiary treatment of wastewater prior to discharge. Ensuring discharge consents are not exceeded</p> <p>Poor asset condition data for wastewater pipes, pump stations and manholes</p> <p>Demand management to ensure we can cope with the wastewater demand of today</p>	<ul style="list-style-type: none"> • Inflow and Infiltration reduction by repairing pipes and manholes. • Pump station monitoring. • Stormwater modelling. • Private property inspections and as necessary repair enforcement. • Replacement and/or upgrade of wastewater infrastructure to meet consent compliance. • Monitor and compliance for industry discharges. • Replace/upgrade wastewater infrastructure to meet consent compliance. • Planning for tertiary treatment. • Manage and reduce inflow and infiltration. • Undertake CCTV inspections, condition assessment and evaluation for all wastewater pipes, pump stations and manholes. • Invest in more treatment and flow capacity within the network and wastewater treatment plants. 	<p>Demand management to ensure we can cope with the wastewater demand of today</p> <p>Building more resilience into our wastewater network</p> <p>Poor asset data for pump stations and wastewater treatment plant equipment, leading to under-investment.</p> <p>Deferral of inspections and condition assessments for manholes, laterals, and pipelines, leading to under-investment.</p> <p>Developing more accurate predictions for wastewater main renewals</p>	<ul style="list-style-type: none"> • Invest in more treatment and flow capacity within the network and wastewater treatment plants. • Ensuring design consideration includes climate change mitigates natural disasters. • As-building and data integrity tools. • Asset data collection. • Developing systems to ensure we better understand how our assets are performing and their condition. • Improve methods of pipe condition assessment.

Table 4: Key Wastewater issues and challenges

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Renewals

We have established a programme of sewer CCTV, network smoke testing and private property inspections to assess the condition of sewers and develop a prioritised schedule of pipes to be repaired, replaced, or relined, and to remove illegal stormwater diversion into the sewer system. We have engaged specialist contractors to assist us with inspecting and evaluating the condition of our pipes.

Low levels of potentially harmful organisms (norovirus) in shellfish have periodically been found after monitoring near the marine outfall in Hāwera between 2017 and 2020. This can be infectious to humans, resulting in sickness. We are working with Iwi and the TRC on possible long-term solutions, including additional treatment at the ponds, an increased monitoring regime and an intensified public warning system. We have highlighted that there will be an additional cost to minimise re-occurrences of the norovirus reappearing in the medium term. Renewal of our discharge resource

consents may require works to improve the treatment of sewage to comply with new consent conditions. This is a key driver for the treatment plant upgrades.

Figure 4 shows some spikes in the renewals required (blue line), according to renewal dates derived from the asset database, based wholly on the installation year. As with water, in order to manage the work required to replace these assets the programmed budgets for achieving this work has been smoothed out over 30 years (orange line).

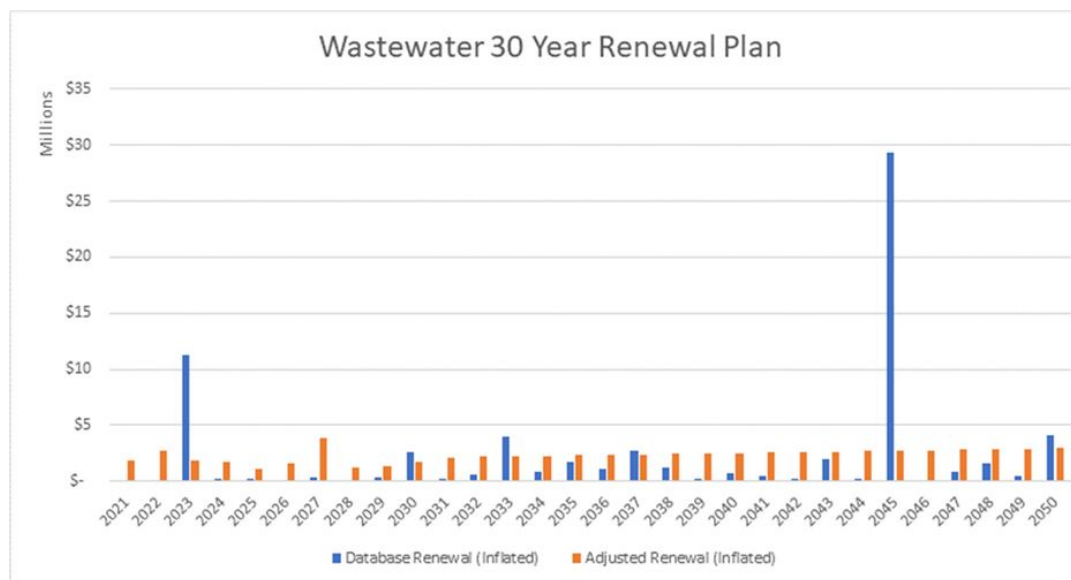


Figure 4: Forecast Overall Wastewater Renewals

INFRASTRUCTURE STRATEGY



Stormwater

The community expects our stormwater reticulation to protect and prevent homes and core infrastructure such as roads and wastewater systems from flooding. To respond to this, we build and operate stormwater infrastructure in urban areas to help prevent the flooding of properties and reduce or eliminate water ponding on roads that could create safety hazards. In extreme rainfall events however, when the pipe network is overloaded, stormwater will take overland flow paths, often along roads.

We manage and maintain stormwater assets made up of culverts, water channels, water collectors, stormwater ponds, outfalls, and pipe reticulation networks. Stormwater from residential properties is normally disposed of on-site via soakage, not through the stormwater system.

Surface flooding of roads by stormwater is a common complaint and this can be due to blocked sumps or blocked downstream pipework. Flooding such as that in Ōpunakē during August 2015 occurred because of the significant contribution of overland flow from farmland in the uphill catchment. TRC has responsibility for stormwater control outside urban areas, so we need to work closely with the TRC to ensure that appropriate solutions are found to flooding issues in our communities.

Stormwater infrastructure is not fully developed throughout the District. In response to climate change and an increase in rain fall intensity we will need to focus on developing stormwater infrastructure throughout the District in at risk areas. We are working on developing stormwater network models for urban areas. The focus for our stormwater networks performance is therefore to minimise the occurrence of flooding of houses (excluding garages and sheds). However, prevention of flooding to all properties in all circumstances is not feasible or affordable.

Our focus over this LTP will be to improve stormwater network data.

Assets

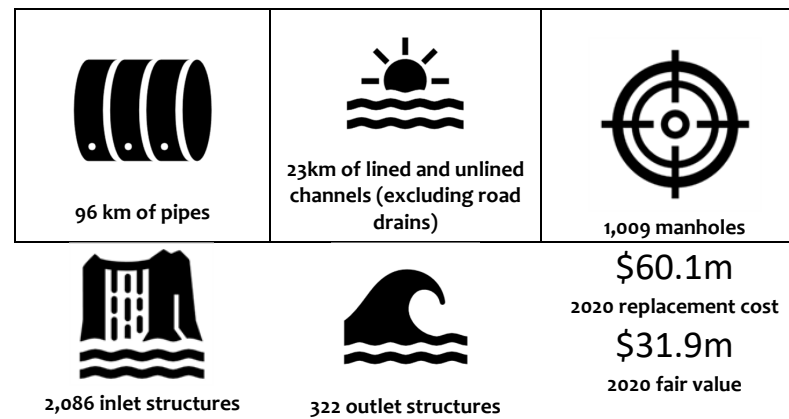


Figure 5: Stormwater Assets

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Challenges



 Key Issues/ challenges	 What we will do
Flooding	<ul style="list-style-type: none"> • Areas of frequent flood events identified and included in long term planning.
Lack of stormwater network	<ul style="list-style-type: none"> • Investigation feasibility of developing town stormwater reticulation networks for Waverley and Manaia.
South Taranaki Business Park, Hāwera	<ul style="list-style-type: none"> • Structure plan for the area and surrounding vicinity has been completed. • Initial rain on grid modelling completed.
Renewal of discharge consents is expected to result in treatment prior to discharge.	<ul style="list-style-type: none"> • Plan for possible treatment of stormwater discharges to waterways, due to upcoming freshwater reforms.
Deferral of inspections and condition assessments for manholes, laterals, and pipelines, leading to underinvestment.	<ul style="list-style-type: none"> • Inspections programme to improve asset data quality.
Improving asset performance monitoring, condition assessment and maintenance system	<ul style="list-style-type: none"> • Developing systems to ensure we better understand how our assets are performing and their condition and forward work planning.

Table 5: Key Stormwater issues and challenges

Renewals

Our stormwater infrastructure is not developed to the same extent as our water and wastewater networks and we are unable to properly plan developments until we have the detailed catchment information that highly accurate LiDAR (Light Detection and Ranging) data will give us. Taranaki will be the last Region in New Zealand to be LiDAR surveyed and, once the data is available, we will be able to plan our stormwater networks development and renewals, even though some of our infrastructure is due for renewal now. However, flooding problems are obvious in some of our urban areas and we need to proceed with upgrades and/or renewals without the required catchment data.

The data that we currently have available shows a spike in renewals in 2023 and 2050. The programmed budgets have been smoothed out over 30 years, however this will continue to be reviewed as more accurate data becomes available. The risk of not completing our stormwater renewals includes flooding of properties and roads; and increased inflow to our wastewater systems, causing overloading of the wastewater reticulation and treatment plants.

INFRASTRUCTURE STRATEGY

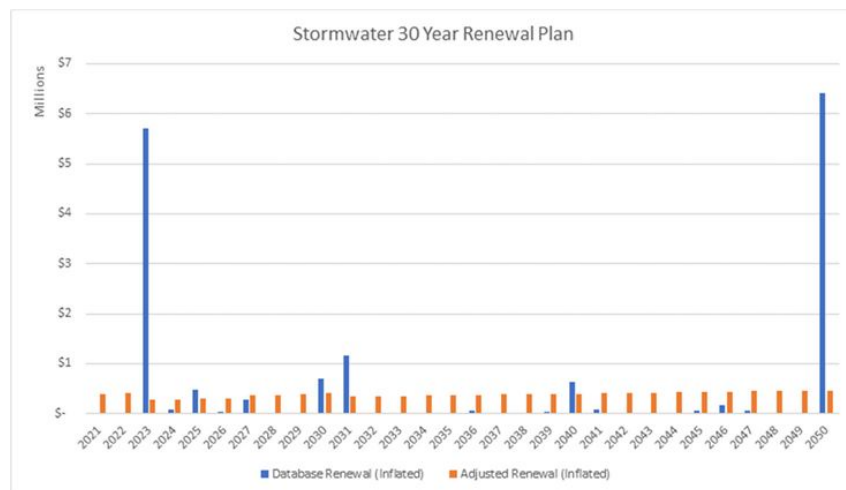


Figure 6: Most Probable Forecast Stormwater Renewals



Roads and Footpaths

We maintain and develop a substantial roading network to meet the needs of residents and road users within the District including road carriageways, footpaths, pathways, streetlights, signs, and road markings, retaining walls, bridges, and culverts. Safe, reliable, and accessible roading infrastructure provides access to health and social services and an efficient distribution network for residents and businesses. Roding infrastructure is essential for both the community and economic development of the District.

The historic level of investment has seen our roading network maintained in generally good condition and investment will continue at a similar level.

Assets




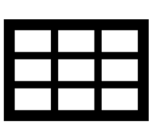






 1,377 km sealed roads	 257 km unsealed roads	 163km footpaths	 26 retaining walls
 6,983 traffic signs	 229 bridges	 83 major culverts	 5,769 minor culverts
\$596.7m 2020 replacement cost	\$395.9m 2020 fair value	 2,252 streetlights	 875 streetlight poles

Figure 7: Roding Assets

In addition to these key assets there are about 1,007 km of “paper” or unformed legal roads that we do not maintain. Waka Kotahi, the New Zealand Transport Agency (NZTA) operates and maintains the state highway network, which interfaces with our local road network. Waka Kotahi is also our co-investment partner for funding of the local road network. Our Financial Assistance Rate (FAR) received from Waka Kotahi is 58% and we have been advised that it will increase to 63%, although this is yet to be confirmed.

Roding pavement standards, and to some degree expenditure, are moderated by the NZTA at a national level. Road seals are widened for safety improvements and in response to some community requests. Seal extension on low traffic volume roads is occasionally requested by the community but is currently considered to be unaffordable.

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District Pathways Programme

In 2015 we adopted a programme to build several new pathways (walkways/cycleways) and upgrade some existing ones. The programme was strongly supported in public submissions and was a key project designed to enhance lifestyle and recreational opportunities across the District. Four of the original pathway projects have been completed. We will continue with the programme and potentially see some of our pathways integrated with others in the Region.

The pathways programme is funded from NZTA subsidies, loans, and rates.

Challenges

Rural roads servicing forestry blocks can suffer a huge increase in the numbers and weights of vehicle movements when the forests are harvested, which can effectively destroy a road’s structure and require significant unplanned renewal expenditure. Additional expenditure of \$0.5 million a year for road renewal (pavement rehabilitation) is anticipated in 2025 and 2027. This is unlikely to be met by additional funding and existing budgets.

We are developing a comprehensive renewal and replacement programme for our bridges and major culverts. Of these bridges, 27 are posted for weight limits or the maximum 50 tonnes loading (“50 Max”) is not permitted, and many bridges on lowly trafficked rural roads are nearing the ends of their serviceable lives, so they will need to be replaced within the next 30 years. We are investigating high risk bridges to determine whether some can be strengthened rather than replaced, to extend their life. A recent change in NZTA criteria under the low-cost, low-risk work category will allow us to replace more bridges.

Roading network performance

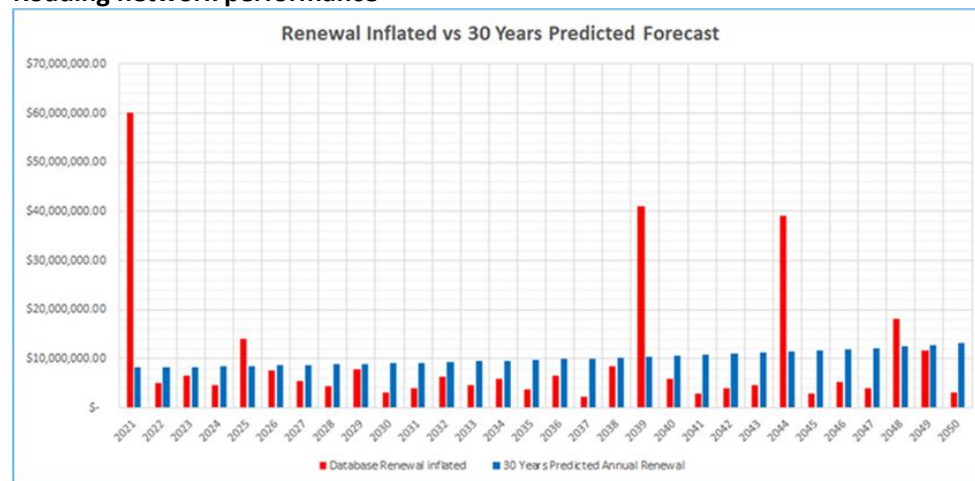






Figure 8: Roothing Network Performance

INFRASTRUCTURE STRATEGY

 Key Issues/ challenges	 What we will do	 Key Issues/ challenges	 What we will do
<p>Customer expectations – misalignment between the Council and community about the appropriate level of service, increasing customer complaints and investment demands. Roading consistently ranks the lowest in our annual resident satisfaction surveys.</p>	<ul style="list-style-type: none"> • Education, including targeting key audiences with messages through various media and developing relationships with key groups to build trust and credibility. • Increase programme and funding. • Timely response to complaints. 	<p>Of our 229 bridges, more than 60% are older than 50 years. We expect a surge in renewals over the next 30 years. The current renewal rate of one per year is insufficient to renew the bridges within a 100-year cycle.</p>	<ul style="list-style-type: none"> • Monitor the condition of bridges and plan upgrades as required.
<p>Increasing demand for the skills and resources we need resulting in the likelihood of increasing costs, time delays and quality issues</p>	<ul style="list-style-type: none"> • Change work programme to avoid materials shortages. • Order scarce materials early to give suppliers long lead times. • Partner with other organisations to access complementary skills. 	<p>Major weather and environmental events increasing in severity and frequency resulting in increased costs to withstand and recover from these events</p>	<ul style="list-style-type: none"> • Increase the work programme and funding to improve resilience. • Increased preventative maintenance.
<p>Increasing HCV movements, especially on ‘low volume roads’, causing damage to assets and increasing financial burden for our ratepayers</p>	<ul style="list-style-type: none"> • Increase road renewal and bridge strengthening. • Change levels of service and pass bylaws. • Reduce demand by posting/restricting use. • Increase funding to counter damage. • Develop relationship with trucking companies to manage situation. 	<p>Table 6: Key Roading issues and challenges</p>	
<p>Increasing death and serious Injury crashes and poor driver behaviour causing increased harm and disproportionately affecting vulnerable users</p>	<ul style="list-style-type: none"> • Increase work programme. • Develop policy for speed and demand management. • Lower the safety risk. • Increasing funding. • Communications – safety messages. 		

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Solid Waste

We operate transfer stations at Eltham, Ōpunakē, Hāwera, Manaia, Pātea, Waverley and Waitōtara. We also hold consents for the discharge of leachate and stormwater from seven closed landfills and legacy sites. These are at Kaponga, Manaia, Pātea, Ōpunakē, Hāwera, Otakeho and Eltham.

The collection and disposal of solid waste is conducted regionally, through a shared arrangement between the New Plymouth, Stratford, and South Taranaki District Councils. Household waste is collected from kerbsides by contractors and only the green waste collection bins are currently owned by the customer; the contractor owns the general waste and recycle bins including the glass crates. The refuse from the collections and transfer stations was transported to the Colson Road Landfill in New Plymouth, which closed in 2018. The three district councils began to develop a landfill site south of Eltham but this has been land-banked due to favourable economic factors for using the Bonny Glen Landfill in the Rangitikei District for waste disposal.

Assets



Figure 9: Solid Waste Assets

Challenges

Key Issues/ challenges	What we will do
Expected increase in waste minimisation levies resulting in higher costs of providing the service.	<ul style="list-style-type: none"> Waste reduction will be key along with behaviour change.
We are becoming aware of un-consented landfills in the District, including at least two on the coast.	<ul style="list-style-type: none"> Monitor.

Table 7: Key Solid Waste issues and challenges

INFRASTRUCTURE STRATEGY



Coastal Structures

There are numerous coastal structures along the South Taranaki coast, including the Pātea moles (breakwaters) that direct river water through the sand bar. The moles were originally built for the shipping industry and now serve recreational and emergency craft, while most other coastal assets are minor, such as seawalls and accessways, paths and steps to the sea and a number of boat ramps to allow recreational craft to access water bodies.

Assets







 6 sea walls/retaining walls	 13 revetments/breakwaters	 2 Pātea moles
 8 accessways/handrails/steps	 1 wharf	 2 boat ramps
\$25.1m 2020 replacement cost	\$11.7m 2020 fair value	

Figure 10: Coastal Structures

We aim to manage our coastal structures to provide reliable and continuous:

- Access to beaches for pedestrians;
- Access to rivers, lakes, and the sea for boat users; and
- Protection of erosion-prone sections of coast in the vicinity of existing infrastructure and cultural sites.

Challenge

The main challenge in managing our coastal structures is the on-going degradation of assets due to the harsh marine environment. We monitor their condition and programme works as required.

Coastal Structures Renewals

Capital expenditure over the next ten years amounts to \$1.1 million. This amount includes \$520k for the Pātea moles in 2024/25.

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Parks and Reserves

We own and maintain parks and reserves across the District, varying in type and size from neighbourhood ‘pocket parks’ and playgrounds and main street gardens to sports fields, premier parks and the 240ha Rotokare Scenic Reserve east of Eltham.

As a result of community feedback the operational budget for parks and reserves has been increased by \$290,000 per annum from Year 4 of the Plan.

Assets



6 premier parks



54 other parks



5 pathways



15 sports grounds



38 playgrounds

<p>\$13.7m 2020 replacement cost</p> <p>\$4.9m 2020 fair value</p>
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Figure 11: Parks & Reserves Assets

Challenges

- Changes in recreation needs as our population ages. We continue to monitor usage.
- Declining participation in structured sports and increasing demand for informal recreation facilities, particularly pathways for walking and cycling. We have a pathways development programme to address this demand.

Parks and reserves renewals

Renewals for our parks and reserves includes Hāwera’s King Edward Park gates; horticultural renewals (plants, shrubs, and trees); and Eltham’s Bridger Park Bridge renewal.

INFRASTRUCTURE STRATEGY



Community Facilities

Our community facilities include halls, cemeteries, public toilets, information centre, museum, campgrounds, TSB Hub function and multi-sports complex and swimming pools.

Assets



9 halls



10 cemeteries



36 public toilets



i-SITE



Hāwera Cinemas



7 campgrounds



TSB Hub



7 swimming pools

Figure 12: Community Facility Assets

Challenges

- Competition from other community facilities.
- Earthquake-prone building legislation.
- Changing social patterns – less interest in organised meetings and other gatherings.
- A need to make our pools more environmentally sustainable.
- Possible increases in standards for swimming pool water and lifeguard accreditation.

Community facilities renewals

Planned renewals for community facilities includes cemetery mats; Kaponga cemetery entrance; Hāwera Holiday Park furniture and chattels; Hāwera Aquatic Centre plant; rural pools plant; and TSB Hub equipment and chattels.

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Environmental Sustainability

One of our community outcomes is Sustainable Taranaki – A District that appreciates its natural environment and its physical and human resources in planning, delivery, and protection. This aligns with environmental well-being, one of the four well-beings that the Government re-introduced to the LGA02, and has the following elements.

Sustainable South Taranaki

- There is sustainable use, development and protection of resources. South Taranaki’s land and soil, water, air and coast, its biodiversity and its natural features and landscapes are understood, valued, maintained and enhanced for future generations.
- South Taranaki’s historic heritage is identified, recognised and protected.
- Built environments and environmental amenities are of a high standard and contribute significantly to the wellbeing of people and communities.
- People are valued and their contribution to the economic, social, cultural and environmental wellbeing of the District is recognised and supported.

Figure 13: Sustainable South Taranaki (Water AMP)

We worked with the community to develop ten community priorities and one of those is that “Our environment and most valued landscape features are protected”.

Freshwater reforms and a National Policy Statement on Indigenous Biodiversity are just two examples of changes that will introduce more stringent standards for activities such as taking and discharging water, with an associated need to reduce water wastage. Accounting for water consumption accurately and how much is wasted can only be achieved by universal water metering, which we anticipate will become a legislative requirement in the next ten years.

Wastewater discharges into rivers or the sea can contain bacteria and viruses and we expect we will be required by legislation to disinfect our wastewater discharges. This is already being seen in the stance of affected parties when discharge resource consents are renewed, and we have several major consents to be renewed in the next decade. It is also possible that we will be required to treat stormwater discharges to ensure that contaminants from properties and roads are not released into the environment.

Climate Change

The Ministry for the Environment predicts that, compared to 1995, the impacts of climate change on the Taranaki Region are likely to be:

- Temperatures 0.7° C to 1.1° C warmer by 2040 and 0.7° C to 3.1° C warmer by 2090.
- Seasonal changes in rainfall but little annual change and little change in the frequency of extreme rainy days.
- Small change in the frequency of storms, some increase in storm intensity, local wind extremes and thunderstorms.
- Sea level rise of 0.2m to 0.4m above the 1995 level by 2060 and 0.3m to 1.0m by 2100.

INFRASTRUCTURE STRATEGY

Environmental Expectations

Numerous environmental legislation reforms are under way at present and these are likely to have impacts on many of our activities. These reforms aim to address key issues that are increasingly becoming areas of national and international concern:

- reducing environmental degradation and pollution;
- improving the environmental sustainability of development;
- waste minimisation – towards a ZeroWaste future;
- mitigation and adaptation for climate change impacts – towards a low emissions future, and;
- the protection and enhancement of biodiversity and natural ecosystems.

We need to factor these legislative changes into our budgeting and work programmes, given the potential significant costs and implementation implications.

Resilience to natural disasters

It is essential that communities continue to receive infrastructure services following a natural disaster, and assets are managed according to their criticality. It is not practicable to build infrastructure systems that can withstand all possible scenarios, but resilience is built in where practicable and affordable. In the event of a disaster potential financial losses are mitigated by a combination of insurance and placing assets in the Local Authority Protection Programme (LAPP), which is specifically designed to cover losses following a major event.

Earthquake and volcanic eruption

Earthquakes pose risks to buried infrastructure networks and older masonry buildings particularly. Reticulation networks contain some pipes made of materials prone to failure during an earthquake. For example, the 450mm diameter pipe from the Kāpuni Water Treatment Plant is a critical asset made of asbestos cement. We plan to complete the duplication of this pipe with a material that has better resilience in an earthquake. Pipes considered to be earthquake risks will be progressively replaced with more resilient materials.

Volcanic eruption and ash fall are likely to contaminate surface water supplies from streams. Borehole water is not affected by ash fall, so ground water resources are being developed where feasible to increase resilience.

Lahars are possible in a volcanic event, with the potential to destroy bridges and water pipes carried by them. We mitigate these risks by maintaining critical bridges to a higher standard and improving pipe capacities and interconnections so that, where possible, a network is not totally reliant on a single pipe on a vulnerable bridge. Immediate replacement of pipes, some with substantial remaining lives, would be unaffordable. Therefore, reticulation upgrades are planned as pipes reach the ends of their lives and are scheduled for renewal.

Keeping Our Rates Affordable

The 2015-2045 Infrastructure Strategy focussed on upgrading and improving our water supply infrastructure. The upgrades were funded by borrowing and our intention is to reduce our overall debt levels while keeping rates at an affordable level. We decided to fund our core infrastructure assets in a way that did not unfairly impact on existing ratepayers, so the capital work was funded primarily from borrowing. Using debt to fund key infrastructural projects means the costs are spread over the lifetime of that asset and future generations who will use and benefit from the asset also contribute their fair share of the loan repayments.

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The ability of our ratepayers to continue funding services and the maintenance and renewal of the assets needed to provide sustainable infrastructure is an ongoing issue. We will mostly concentrate on maintaining and replacing existing assets rather than creating new ones that will increase operational costs. Exceptions to that principle are:

- New assets as part of the Town Centre Master Plans;
- New assets to support the South Taranaki Business Park;
- Additional pathways (partly externally funded and low operating costs);
- Te Ramanui o Ruapūtahanga, the new library, arts, and cultural centre under construction in the Hāwera town centre; and
- Nukumarū Station Road upgrading and extension to provide secure access to Waiinu Beach.

The latter two are mostly Government funded as post-COVID-19 pandemic shovel-ready projects and the TSB Community Trust provided a grant of \$2.8 million to Te Ramanui o Ruapūtahanga.

Working towards our vision for South Taranaki to be the most liveable District includes being an affordable place to live and do business. Our plans for the District, to retain our population, maintain our current levels of service, consolidate, and reduce debt must be balanced with the need to keep rates affordable for our community. This means we need to respond to our community's needs in a manner that is sensitive to economic factors, keep costs down by focusing on the basics, deferring, or deleting projects where appropriate and utilising various funding mechanisms and rating systems without raising our rates above 4.75%.

In the short term we will continue to deliver the three waters activities; however, given the Government's focus on three waters reform it is possible in the long term that local authorities will no longer be responsible for these activities. If the three waters activities are removed from local authorities it is possible that other Council functions and activities may require additional funding.

Effective Management of Debt

We recognise that the infrastructure we build, maintain, and operate serves the community over many generations. We use the debt to fund new infrastructure, reflecting the intergenerational value of our roads, water, wastewater, and community facilities. Gross debt levels are high and are capped at \$168m in this LTP. Managing our debt effectively and paying down debt over the term of this Plan is a priority and we are using funds from the Long term Investment Fund's fluctuation reserve to pay for some key projects.

In addition to loans we use other funding mechanisms to fund our Operational and Capital Expenditure. The full list is in our Revenue and Financing Policy.

Operational Expenditure

Operational expenditure is funded per activity through targeted rates, general rates, grants and subsidies, capital contributions or a mix of these.

Capital Expenditure

Capital expenditure projects are categorised as renewals, extending level of service or growth related.

Renewal projects

Renewal projects restore or replace components of an asset or the entire asset to return it to its original level of service (size, condition, or capacity). These projects will be funded from capital reserves built up from funded depreciation. If the reserve is not sufficient to meet the programmed renewals, loans will be utilised and repaid from a contribution from the reserve that best fits intergenerational equity and/or the operational funding sources for the particular activity as per the Revenue and Financing Policy.

INFRASTRUCTURE STRATEGY

Extending level of service projects

These projects involve the creation of a new asset or alterations to an existing asset to deliver a higher level of service. They will be funded by loans and repaid from operational funding sources.

Growth related projects

These are additional assets required to serve growth in demand for existing services due to new areas being serviced. These projects will be funded from financial contributions, and a contribution from the Economic Development Fund towards the asset creation will be considered on a case-by-case basis after considering specific criteria.

Our Plan for the Future – the Most Likely Scenario

This Strategy provides an overview of the most likely scenario for managing our infrastructure. In general, we plan to maintain our current levels of service while focusing on the five themes listed at the start of this Strategy – sustainable growth, managing resources, operating in ways that are environmentally sustainable, keeping our rates affordable and managing debt.

We have included our preferred options for significant capital expenditure in our Long Term Plan budgets. The forecasts for the first three years are the most detailed, while those in years four to ten are a reasonable outline of the most likely scenario. The forecasts beyond year ten are indicative estimates and will be developed further as more information becomes available.

Lifecycle management

The management of the lifecycle of assets is the key to delivering cost effective services. Table 8 shows the approach taken to lifecycle management for the various asset categories.

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Asset Categories	Main Issues	Maintenance Strategy	Lifecycle Approach
Water Treatment	Water treatment plant upgrades have been completed over recent years. Treatment of all groundwater per Havelock North Inquiry recommendations is planned. Improved planned maintenance system is needed to ensure optimal asset performance is achieved.	Currently maintenance is undertaken based on plant performance, criticality and known plant issues. Improvements are needed to meet the equipment manufacturer's maintenance recommendations.	Use AssetFinda to record maintenance regimes and asset performance. Use information gathered to refine and optimise the maintenance programme, renewal strategies and plant optimisation.
Water Reticulation	Unaccounted for water needs reducing to better demonstrate good resource stewardship. Detailed three-year renewals programme by improved asset condition assessments. Review assets within ten years of renewal.	Proactive management of the minimum night flows (MNF). Ongoing pipe flushing, valve & hydrant exercising, backflow preventer testing. Periodic town-by-town reticulation cleaning to be introduced.	Improve data set and test physical samples (planned and following a water main burst) to better establish remaining lives. Verify based on actual asset performance before committing to renewal. Extend remaining life if asset is still serviceable.
Wastewater Treatment	No major issues where there is no trade waste as treatment ponds allow time to rectify issues before compliance is compromised. Additional aeration capacity, sludge management and trade waste management is needed where trade waste loads are high, to mitigate risk.	Scheduled maintenance carried out, electrical annually and mechanical six-monthly. Better capturing of maintenance and performance data will improve decision making.	Utilise better performance and condition data capture to improve whole of life decision making.
Wastewater Reticulation	Inflow and infiltration (I&I) of water into the pipe network reduces the hydraulic performance and may also result in the failure of volumetric resource consents.	Routine CCTV inspection of the sewer network to identify faults and target rehabilitation efforts. Flush problematic sewer lines and inspect manholes. House inspections and smoke testing to identify wrongly connected stormwater.	Manage levels of I&I by rectifying defects to ensure network overflows don't occur from hydraulic overloading. Repair or renewal selected based on number and types of defects. Consider independent stormwater systems.
Stormwater Reticulation	Lack of information about condition of pipe assets.	Sump and open channel clearing and manhole inspections.	Gather CCTV condition data to refine the renewals programme.

INFRASTRUCTURE STRATEGY

Asset Categories	Main Issues	Maintenance Strategy	Lifecycle Approach
Roading Pavements	No significant issues, generally performance indicators show good condition with slight declining trend predicted due to increasing heavy vehicle usage.	Maintenance treatment chosen based on condition rating and required level of service of the pavement. Methods employed are patching, reseal or rehabilitation. Reduce volume of reactive maintenance in preference for preventative maintenance.	RAMM roading asset information system is used to select appropriate treatment based on NZTA criteria.
Roading Bridges	There is an upcoming peak of renewals over the next 30 years. Some bridges may not qualify for NZTA funding under current criteria unless the replacement cost is less than \$2 million.	Visual inspection every two years with detailed examination every six years on some critical structures to prioritise maintenance and renewal. Raise individual business cases for bridge replacements >\$2m.	Manage renewals to give smoothed cash flow to ensure funding from NZTA is available.

Table 8: Lifecycle Management Approach

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Capital expenditure decisions

Our decisions on how much to spend on infrastructure have three main drivers:

1. When should existing infrastructure be replaced?
2. When should we invest to improve the existing service?
3. What investment is needed to cater for growth and development?

Some capital development is determined by regulation:

- Ministry of Health standards for drinking water quality.
- Regional Council consent conditions that determine the amount of fresh water that can be taken from a river or the ground and the quantity and quality of discharges back to rivers from water and wastewater treatment plants and stormwater runoff.

Community expectations in these areas tend to align with the regulators' requirements.

Substantial expenditure will be required in the first three years of the Long Term Plan to install infrastructure for the South Taranaki Business Park at Hāwera.

Replacing infrastructure

An asset needs to be replaced when it can no longer provide a level of service and there are several reasons why an asset could be renewed. For example, a water main may be renewed if it is bursting too frequently, has too much water leaking from it, or its internal condition causes dirty water.

Our renewal programmes are based on established criteria for the lives of assets. This information is recorded in asset management systems and details are provided in our asset management plans (AMPs). Most wastewater plants and nearly all water supply treatment facilities have been upgraded over the last nine years to meet the required standards, which means there are few imminent high value asset renewals in these areas. The pipe assets for water supply, wastewater and stormwater would typically be expected to last between 80 to 100 years and many have reached that age range.

These networks have a value in excess of \$135 million and a significant quantity of renewals is scheduled over the next 30 years.

The accuracy of our reticulation renewal programmes improves as we improve the quality of the information we have about the assets and their condition. Condition assessments will continue to be a priority, to improve our knowledge across our reticulation networks. The focus for condition assessments will be those assets with the shortest theoretical remaining lives and those that serve the highest numbers of customers.

Our financial projections for renewals assume that technology will not advance substantially, so the cost of renewal will not reduce with time. Where appropriate we use the range of 'no-dig' and relining technologies available for rehabilitating sewers, as these are less expensive than replacing the pipes with new ones.

Improving the existing service

We may increase the level of service we provide for a number of reasons and that usually increases the cost of the service. Examples are:

- An increase in legislative requirements.
- Higher environmental expectations.
- Climate change impacts.
- Providing improved resilience to earthquake and volcanic eruption.

Given the extent of our borrowing (debt), it is important that we prioritise our capital investment, which we have done against the four criteria above.

INFRASTRUCTURE STRATEGY

Legislative changes

We improve parts of our infrastructure when there is a legislative requirement to do so, including upgrades to our water treatment plants to comply with the New Zealand Drinking Water Standards 2005. The Havelock North water supply enquiry made numerous sweeping recommendations in relation to ground water sources, many of which we had already decided to implement. These will see all ground-sourced drinking water supplies fully treated to meet the bacteriological standards.

Through consenting, the Taranaki Regional Council determines the amount of fresh water that can be taken from a river or the ground and the quantities and quality of discharges back to rivers from water treatment plants, wastewater treatment plants or stormwater runoff.

We expect water treatment standards will increase and an allowance has been made for this.

Demand management

Minimal predicted population growth means that maintaining our infrastructure to meet levels of service will be the primary strategy, particularly for the water supply and wastewater activities, where reducing water loss and water entering sewers can significantly delay the need for further investment. These areas are the key strategic focuses over the next five years, as they yield other benefits too.

Rather than growth planning, a managed retreat may be required in some areas, where capacities might be reduced when assets are renewed.

The likely impacts of growth on our core infrastructure are summarised in Table 9 below.

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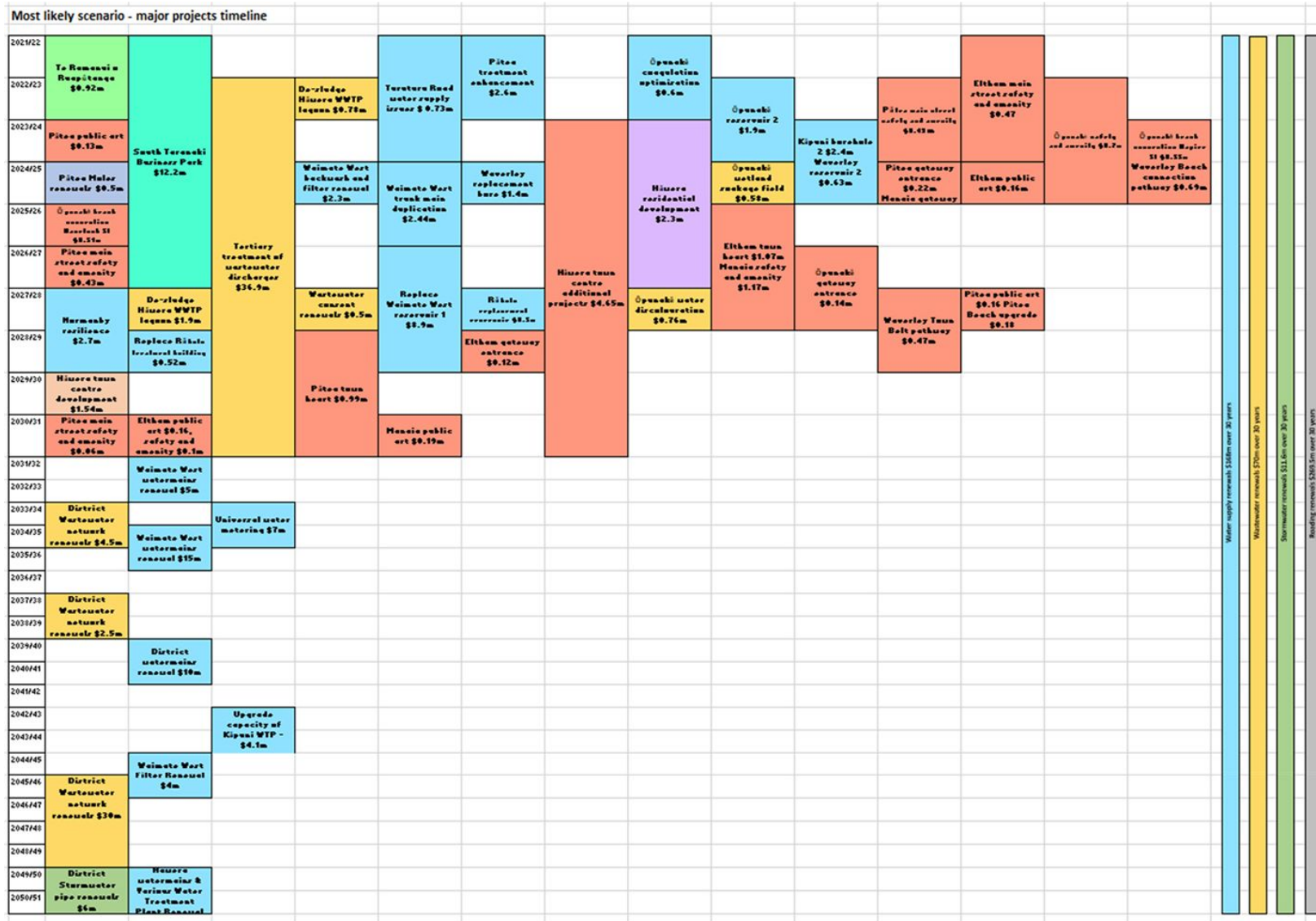
Category	Impact	Management Strategy
Water Supply	Population changes and increases for demand in water are anticipated in Hāwera’s new residential area (Hāwera Western Structure Plan). A small and continuing increase in demand is expected from dairy farming. Demand for commercial and industrial sections is expected to be focused around the Hāwera and Normanby areas.	<p>The primary response to growth has been the Hāwera Western Structure Plan to encourage growth where demand for water can be managed affordably.</p> <p>We are consulting on Stages Two and Three of the South Taranaki Business Park in relation to further development. Capital budgets have been proposed for additional water, wastewater, and stormwater infrastructure for the South Taranaki Business Park.</p> <p>We are also ensuring water leaks are repaired and process losses at treatment plants are minimised.</p>
Wastewater	Population changes will have a small impact on wastewater systems. New industries will be considered as trade waste customers with possible on site treatment if existing Council facilities have insufficient treatment capacity.	<p>Maintain the existing wastewater treatment plants. Inflow and infiltration of water into the wastewater network is a key strategic issue and will be managed to ensure unconsented overflows don’t occur.</p> <p>The primary response to growth has been the Hāwera Western Structure Plan to encourage growth where infrastructure can be provided and accessed affordably.</p> <p>We are consulting on Stages Two and Three of the South Taranaki Business Park in relation to further development. Capital budgets have been proposed for additional water, wastewater, and stormwater infrastructure for the South Taranaki Business Park.</p>
Stormwater	Predicted growth is not expected to have a significant impact on stormwater infrastructure.	<p>Continue to monitor system performance.</p> <p>The primary response to growth has been the Hāwera Western Structure Plan to encourage growth where demand for water can be managed affordably.</p>
Roads and Footpaths	Population or business growth is not predicted to have a significant impact on roading infrastructure.	The emphasis is on maintaining the existing network. No significant upgrades are anticipated as a result of growth with the exception of the proposed budgets for the South Taranaki Business Park.

Table 9: Growth Impact

When will it happen?

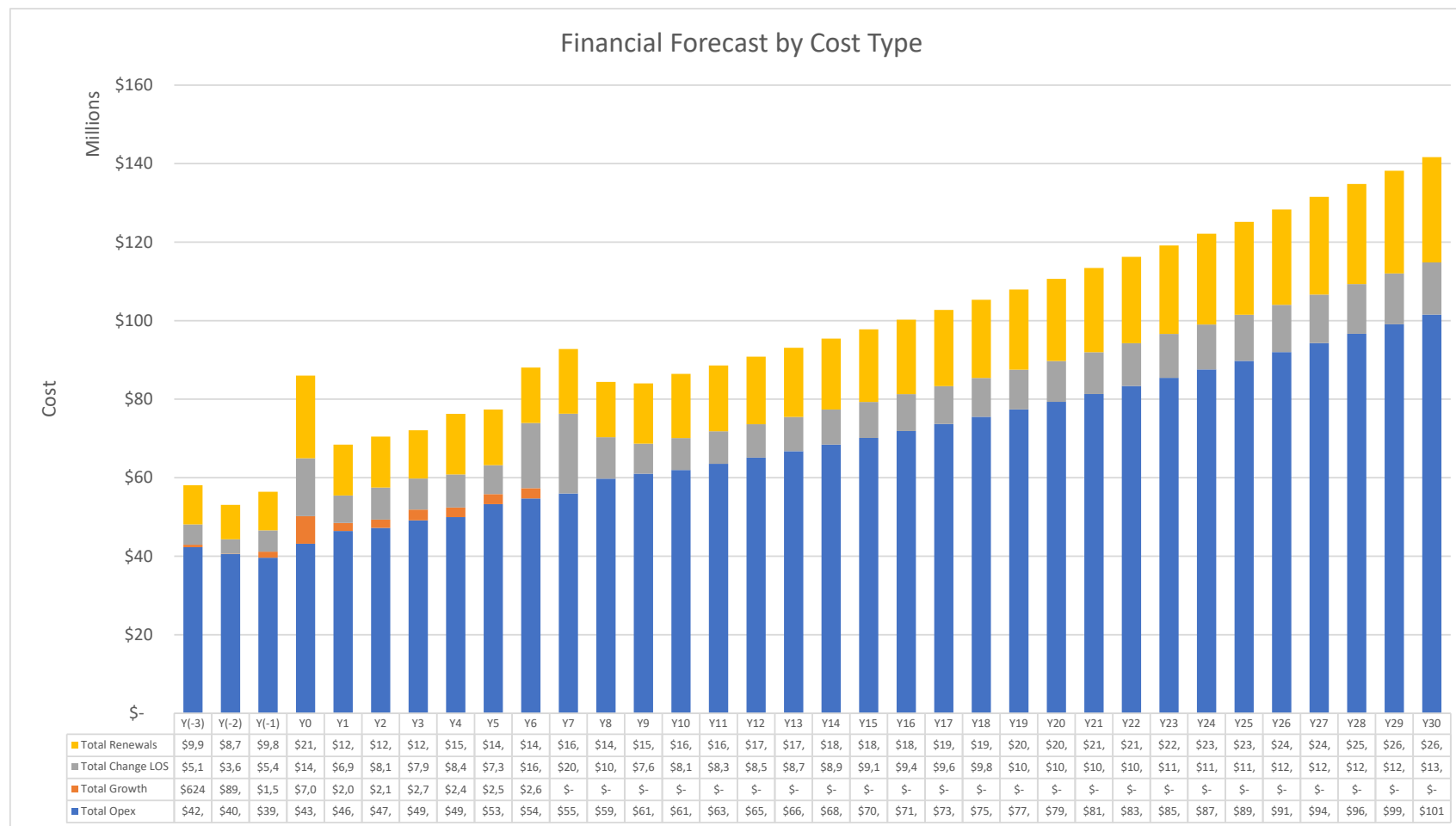
The timeline in Figure 14 shows the most likely scenario for our infrastructure investment. This provides a view about our planned expenditure over the next 30 years. The timeline is colour coded as shown below to identify each activity.

INFRASTRUCTURE STRATEGY



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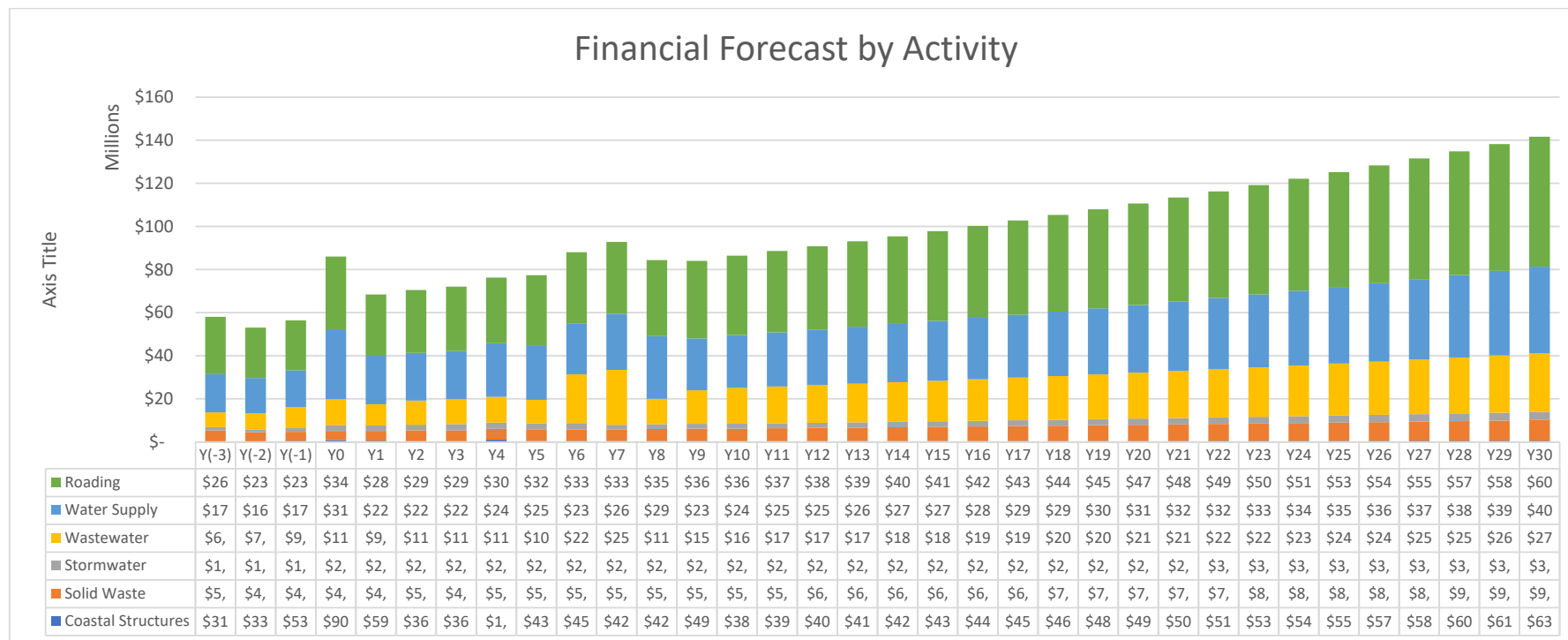
Financial Forecasts by Activity



The above financial forecasts by activity is based on various assumptions (for example, condition of assets, inflation, interest rates etc). The funding of the operational expenditure and capital expenditure is based on the Revenue and Financing Policy.

What will it cost?

The following graphs show the annual capital and operating costs of the most likely scenario. These are split by activity and funding sources.



INFRASTRUCTURE STRATEGY

The forecasts are based on the assumptions listed in the Risk analysis section and elsewhere in the LTP. The funding of operational expenditure and capital expenditure is set out in the Revenue and Financing Policy.

Our Financial Strategy gives an overall direction in terms of debt, investments, various benchmarks, and rates cap. We have an obligation to meet various ratios within the Financial Strategy. The rates cap is based on the Local Government Cost Index plus 1% for increases in levels of service and growth in demand. The rating impacts of the above forecasts are within the rates cap. The Financial Strategy explains in detail how these projections affect various ratios and what impact they will have on the overall District. The financial risks recognised in this Strategy are also explained in detail in the Financial Strategy.

Additional detail on the most likely scenario and costs implications is given in Appendix 1.

Risk analysis

Our planning requires us to make certain assumptions about what is likely to happen in the future, and many of these assumptions relate to infrastructure. The risk around the principal assumptions is shown in Table 10 below with risk graded on a scale of 1 to 3, 1 being the highest risk.

Assumption	Uncertainty	Risk Management
Population growth for South Taranaki is predicted to be 0.3% across the District	2 There is evidence of growth in residential areas, based on the number of building and planning consent applications we have received. Therefore there is a risk that the population will increase more than projected.	Small increases or decreases in population have a relatively small impact on established infrastructure. An increase in population and growth will require growth-related projects and work programmes to be reviewed or brought forward.

Assumption	Uncertainty	Risk Management
NZTA funding will continue at current levels over 30 years	3 Government reduces the FAR.	This would seem unlikely given the historic national approach to funding to maintain roads across the country. Reduced funding would result in either a reduced level of service or increase in the general rate.
Environmental standards will increase as predicted	1 Standards don't increase as predicted.	This would result in the deferral of the projects which are scheduled to proceed following a change in standards.
Water quality standards will increase as predicted	1 Standards don't increase as predicted.	This would result in the deferral of these projects which are scheduled to proceed following a change in standards.
Demand management practices will manage water demand as predicted	3 Demand grows more quickly than predicted requiring investment to increase supply.	Leak detection and mains renewal will reduce losses. If increasing the capacity of water supplies is necessary it would impact on targeted water rates.
Expenditure to reduce I&I will maintain sewer flows to the required levels	3 Level of expenditure is sufficient.	Current performance indicates that the level of expenditure is sufficient. Should further reduction in I&I be needed there would be a financial impact on the wastewater rate.
Renewals forecasts don't meet the predictions	2 The smoothing of renewals as predicted is unachievable.	This would result in some peaks of expenditure which are shown in Figures 2, 4, & 6.

Table 10: Principal Assumptions Uncertainty

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Appendix 1: Cost implications of significant capital expenditure decisions:

Project	Issue	Most Likely Scenario	Principal Alternatives	Probable year	Low Cost	Likely Cost	High Cost
Growth							
South Taranaki Business Park	A feasibility study confirmed the strategic need for developing additional suitable land for industrial purposes in the District.	Continue with the development (Stages 2 and 3) of the South Taranaki Business Park.	Not completing the project is likely to deter potential commercial and industrial businesses from establishing in South Taranaki.	2021-2027		\$12.2m	
Town centre masterplans	Implementation of masterplans for five of our town centres: Ōpunakē, Manaia, Pātea, Waverley and Eltham.	The masterplans have been designed in consultation with the community and will be consulted on again as part of this Plan.	Doing nothing would see these town centres continue to lack vibrancy and not attract residents and visitors.	2021-2031	\$5m	\$10.6m	\$21m
Town Centre Strategy Hāwera – Additional projects	We have initiated a Hāwera town centre strategy to restore the town centre to a vibrant and successful place for business and people. A key project, Te Ramanui o Ruapūtahanga, our new civic centre, is underway and will be funded from a mixture of sources, including the Government’s ‘shovel ready’ projects. Additional projects have been planned to continue to improve the District’s main town centre.	Continue with revitalising Hāwera’s town centre.	Doing nothing would slow down the progress of restoring the town centre to a vibrant and successful place and disappoint residents who anticipate continued progress.	2023/24 to 2023/31		\$4.6m	
Water Supply							
Eltham Water Taste and Odour	Historical complaints throughout Eltham in relation to the taste and odour of the drinking water.	Undertake investigations for water source (bore) in 2021/22 and commission in 2022/23. Further flushing enhancements if required in 2025/26.	Continue with current programme by providing residents with water filter jugs.	2021/22, 2022/23, 2025/26	\$30k pa	\$1.8m	\$2.65m
Pātea Low Water Pressure	Water pressure in the elevated parts of Pātea is low, at approximately 200 kPa.	Pressure zoning in the Pātea water supply.	Continue monitoring pressure and managing complaints.	2021/22 2022/23	\$400k	\$540k	\$650k
Ōpunakē Water Discolouration	Historical complaints throughout Ōpunakē about discoloured (brown) water. It is suspected to be caused by high levels of iron and manganese in the water source.	Continue with planned de-ionisation plant in 2027/28.	Continue with flushing regimes and managing complaints.	2027/28	\$500k	\$760k	\$1m
Urban firefighting improvements - Normanby second supply line	Modelling has shown locations where water supplies don’t meet the New Zealand Fire Service Fire-fighting Water Supplies Code of Practice (COP). This non-mandatory standard represents	Making network improvements to meet the current COP for schools, hospitals, and places of assembly. Other improvements will be made when pipes are renewed.	Doing nothing exposes the Council and the community to risk; however, due to the lack of funding available we plan to review the capacity of the reticulation networks again when FENZ publishes the new mandatory COP. A revised	2027/28, 2028/29	\$1.7m	\$2.7m	\$2.7m

	<p>best practice. Hundreds of improvements have been identified.</p> <p>The Fire and Emergency New Zealand (FENZ) Act 2017 requires a new COP to be produced, consulted on, and published, but no timeframe has been set.</p>	<p>Improve the Normanby water supply, which also has benefits of serving the South Taranaki Business Park.</p>	<p>programme of work will then be developed.</p>				
Turuturu Road Water Supply demand management	<p>Growth and demand for water in and around the Turuturu Road area has led to a shortage of water supply and low pressure.</p>	<p>Investigating potential solutions and finalising best practicable option in 2021/22 with construction to be undertaken in 2022/23 and 2023/2024.</p>	<p>Doing nothing would not address the water shortages that residents in this area are currently experiencing.</p>	<p>2021/22, 2022/23, 2023/24</p>	<p>\$732K</p>	<p>\$732k</p>	<p>\$1.3m</p>
Pātea Water Treatment Plant enhancement	<p>Pātea has a vulnerable supply due to its full reliance on bore water. To ensure the Pātea water supply complies with the Drinking Water Standards the treatment plant requires enhancement.</p>	<p>Installation of a full water treatment plant.</p>	<p>Continue with the current water treatment plant and risk breaching the Drinking Water Standards.</p>	<p>2021/22, 2022/23</p>	<p>\$2m</p>	<p>\$2.6m</p>	<p>\$3m</p>
Waimate West trunk main duplication	<p>The Waimate West supply is a vital network, particularly to the large numbers of agricultural operations that rely on this source. An additional trunk main running parallel to the current trunk main will enhance resilience.</p>	<p>Construction of an additional trunk main running parallel to the current Waimate West trunk main.</p>	<p>If we continue to rely on the single trunk main, we run the risk of not being able to deliver water to the entire network. This would put significant pressure on the agricultural operations and health and well-being of people and livestock.</p>	<p>2024/25, 2025/26</p>	<p>\$1.5m</p>	<p>\$2.4m</p>	<p>\$2.4m</p>
Waimate West replace reservoir 1	<p>Waimate West's reservoir 1 holds 9 million litres of water and is coming to the end of its life.</p>	<p>Replace Waimate West reservoir 1.</p>	<p>Continue to rely on Waimate West reservoir 1 to deliver water to the network.</p>	<p>2026/27, 2027/28, 2028/29</p>	<p>\$9m</p>	<p>\$9m</p>	<p>\$12m</p>
Kāpuni demand management	<p>The demand for water continues to rise slowly. In 2016 we constructed a borehole at Waimate West that did not provide the anticipated resource. Further water resource is needed to manage our risk of failure to supply and enhance our emergency response capability.</p>	<p>Constructing an additional borehole within the area of the three water supplies.</p>	<p>If additional water could be taken from the Kāpuni stream, that is likely to be a lower cost option. However, given the proposed legislation changes it is likely that consents to take water from the Kāpuni stream will become more stringent.</p> <p>Doing nothing would require significant gains from demand management.</p>	<p>2023/24, 2024/25</p>		<p>\$2.4m</p>	
Waverley replacement bore	<p>A replacement bore is required in the Waverley township to ensure enough future supply.</p>	<p>Investigate water source and commission replacement bore.</p>	<p>We can continue with the current bore however it will begin to decline and we will struggle to supply water to the Waverley township.</p>	<p>2025/26</p>		<p>\$1.4m</p>	

Kāpuni Water Treatment Plant capacity upgrade	Increase capacity of the Kāpuni Water Treatment Plant - treatment upgrade from 13 mega litres per day to 19 mega litres per day.	With some growth predicted in Hāwera and Normanby there will be a need to increase the capacity of the Kāpuni treatment plant at some time in the next 25 years. Managing demand for water might see this project delayed or higher than expected growth may bring it forward.	The likely changes to the Drinking Water Standards will see all water requiring treatment, including any new bore source. If we were to do nothing and the increasing demand for water was not met the result would be an adverse impact on all customers and an inability to meet our levels of service.	2043/44		\$2.2m	
Enhanced water treatment for viruses	We expect the Drinking Water Standards will be enhanced by requiring a greater level of water treatment that destroys viruses.	UV treatment would need to be added to all surface water plants to kill viruses. Secure ground water will not require further treatment.	There are no alternatives as it is anticipated that this would be enacted through legislation.	2034/35		\$2.5m	
Demand Management and Efficiency Enhancement	As a result of the freshwater reform local authorities must account for water consumption accurately. Monitoring how much is lost can be achieved by universal water metering, which we anticipate will become a legislative requirement in the next ten years.	Introduce universal water metering, unless other technologies are developed before legislation changes are enforced.	It is anticipated that this would be enacted through legislation. At this stage universal water metering would be the most efficient method of monitoring water losses and leakages.	2032 – 2034		\$6m	
Wastewater							
Inflow and infiltration (I&I)	The amount of water entering the wastewater networks in a number of our towns causes problems with treatment and compliance with resource consents. This comes from direct connection of stormwater to the system (Inflow) and ground water entering the pipes through cracks and other defects (Infiltration).	A five-year programme of defect identification, inspections and remedial works should manage the performance of the pipe networks to the required level.	Doing nothing or doing insufficient work will result in failure to perform at the standards defined in our resource consents.	2022 - 2028	\$1.05m pa	\$1.08m (appx) pa	\$2m pa
Disinfection of wastewater discharges – tertiary treatment	As water quality standards are increased for watercourses based on the National Policy Statement for Freshwater Management and other environmental pressures, disinfection of wastewater treatment discharges will be required.	This could be resolved by installing an additional treatment process stage such as ultraviolet light disinfection of the discharge from wastewater treatment plants.	There are no alternatives as it is anticipated that this will be enacted through legislation.	2025 - 2031	\$36.9m	\$36.9m	\$50.5m
Desludging Hāwera Anaerobic Lagoon	Hāwera's anaerobic lagoon was installed in 1985. Due to the industrial waste that has been diverted into the lagoon since then it is now reaching its	A portion of Hāwera's anaerobic lagoon has been desludged and we will continue with this programme.	As the anaerobic lagoon reaches its capacity, effluent transferred to the stabilisation ponds damages the	2022/23, 2027/28		\$2.7m	

	capacity. To ensure efficiency and continued capacity of the lagoon it requires desludging.		chemistry and the capacity of the ponds.				
Stormwater							
Network developments	Develop and improve stormwater networks across South Taranaki including Hāwera, Normanby and Eltham.	Stormwater modelling will need to be undertaken initially followed by design and construction.	Continue to rely on the current stormwater network, which will increase the risk of damage and flooding to properties.	2021 - 2031		\$9.8m	
Roads and Footpaths							
Roading renewals	Continue to maintain and renew roading assets as identified.	The programmed works for this Plan include: <ul style="list-style-type: none"> • Road resurfacing - \$27m • Drainage renewals - \$7.6m • Road renewals (pavement rehabilitation) - \$28m • Minor improvements - \$22m 	The inability to, or decision not to, deliver this programme of works will result in the deterioration of our roading assets.	2021-45		\$100m	

COVER PAGE – SECTION 2: OUR ACTIVITIES
Ā MĀTOU AWHEAWHE

GUIDE TO THE LAYOUT AND CONTENT OF 'OUR ACTIVITIES'

The Council contributes to the community through the activities and services it delivers. The activities are organised into 11 groups:

Democracy and Leadership

Three Waters – Water, Wastewater and Stormwater

Solid Waste

Roading and Footpaths (Includes Road Safety)

Community Facilities

- > Parks, Reserves, Public Spaces, Halls, Swimming Pools, Public Toilets, Holiday Parks, Cemeteries, Housing for the Elderly and Pathways

Arts and Culture

- > Arts, Aotea Utanganui – Museum of South Taranaki, and our seven LibraryPlus

District Economy

- > Economic Development, Tourism and Events

Community Development

- > Community Development and Community Support

Regulatory Services

- > Building Control, Planning, Environmental Health, Licensing, Food, Alcohol and Gambling, Animal Services, and Parking Control

Environmental Management

- > Environment and Sustainability, Emergency Management and Environmental Policy

Coastal Structures

Corporate Activities

- > Audit and Risk, Contact Centre, Communications, Finance, Corporate Property, Information Services, People and Capability, and Support Services.

TE HOAHOA KI “Ā MĀTOU AWHEAWHE”

For each of these groups we explain the activities within the group.

WHY WE DO IT

Reasons why the Council provides the activities.

WHAT WE DO

A brief description of what the activity does including the assets that contribute to the activity and how they are managed.

WHAT NEGATIVE IMPACTS THIS MIGHT HAVE?

Our activities can have negative impacts, while we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes there must be a trade-off. We show the possible significant negative effects to make sure we conduct our activities in accordance with sustainable principles.

LOOKING AHEAD

- > **Growth and Demand** – influences which could impact on the activity.

FUTURE PROJECTS

Projects over the next ten years.

WHAT YOU CAN EXPECT AND MEASURING OUR PERFORMANCE

The main services that will be delivered to the community and the specific ways performance will be measured.

COMMUNITY OUTCOMES

The relevant Community Outcomes for each activity are represented as an icon based on the legend shown in the Chapter “Strategic Direction”.

KEY CAPITAL PROJECTS

Some activities list the key capital projects. The full list of capital projects can be found in our Chapter “Our Costs”.

FUNDING

Information on what it will cost and how we will pay for them is set out in the Revenue and Financing Policy and the funding impact statement for each activity for the next ten years with comparison to the 2017/18 budget.

ASSET MANAGEMENT PLANS

The Council owns \$906 million of assets that are used to deliver a wide variety of services to our communities, so it is essential that the Council manages its assets well. Asset Management Plans (AMPs) form the basis of the Council’s planning for the operation, maintenance, renewal and development of its assets. In managing these assets the Council has taken account of the community’s interests and desired outcomes through the review of customer service levels, public feedback, and customer demand, while considering the capacity of the Council to deliver the services and affordability for our ratepayers and residents.

GUIDE TO THE LAYOUT AND CONTENT OF 'OUR ACTIVITIES'

In developing our AMPs questions are asked such as:

- > What service levels and performance delivery are required and how will demand for the services change over time?
- > What is the current state of the assets? Are they capable of meeting those demands now and, in the future, and what are the risks if they are not met? What are the best strategies for operating, maintaining, replacing and improving the assets?
- > How much will providing the service cost over the long term? What is the best long term funding strategy?

Answering these questions in AMPs for individual activities has the benefit of:

- > Improving cost efficiency by determining the lowest asset lifecycle cost.
- > Improving customer satisfaction by better matching levels of service with what customers want and are willing to pay for.
- > Better transparency in decision making.
- > Being more sustainable by having long term plans that look at funding of services across generations.

The Council's AMPs (available on request) have been developed across all of the activities to a "core" level providing a solid footing on which to base this Long Term Plan. However, asset management is an ongoing process and the Council's goal is to develop all AMPs to a higher level, particularly in activities that contain strategic assets of significant value.

DIFFERENCES TO 2018-2028 LTP

Corporate Property, Leased Properties and Cinema 2 has been removed from Community Facilities and now included in Corporate Activities Group.

Environmental Sustainability Group is now called "Environmental Management Group".

Emergency Management activity has been removed from Regulatory Services and now included in Environmental Management Group.

Planning Activity has been removed from Environmental Management and now included in Regulatory Services Group.

**COVER PAGE – DEMOCRACY AND LEADERSHIP
TE POU MANUKURA**

DEMOCRACY AND LEADERSHIP



Why we do it

We provide governance processes that enables the community to participate in decision-making and ensure quality decisions are made in accordance with statutory requirements. To do this well we need to keep the community informed about what is happening, how decisions will affect them and explain how they can participate in meetings and consultation/submission processes.

Along with Ngāruahine, Taranaki, Ngāa Rauru and Ngāti Ruanui Iwi we are developing an Iwi-Council Partnership Strategy with the purpose of building stronger relationships and enabling Māori to participate in our decision-making processes.

What we do

The Mayor and Councillors are the governing body and set the direction, policies and budget needed to run the various activities we provide. We develop strategic documents including the District Plan, Long Term Plan and Annual Plans as well as setting the annual rates and charges. Community Board members provide a direct link between the community and the Council and are responsible for distributing discretionary funds across their communities.

Recognising the special relationship with Māori in South Taranaki, the Council has developed a formal process of representation for Iwi through the Iwi Liaison Committee. This standing committee of the Council provides an opportunity for up to four members from each Iwi within the District (Ngāruahine, Taranaki, Ngāa Rauru and Ngāti Ruanui) to discuss issues and make recommendations to the Council. The appointment of Iwi representatives to our standing committees acknowledges the need for Iwi and Māori to participate in the Council's decision making processes.

A full overview of our key policies, information about how we operate and how the Council makes decisions can be found in the Local Governance Statement on our website www.southtaranaki.com

Looking Ahead

The internet provides a tool that enables our community to engage regarding social issues and as a tool for community-led democracy and campaigning and a move towards online voting, bringing both opportunities and challenges. Over the next five years we are committed to upgrading our information systems and technology so that we can respond and move with the times by providing a platform that allows our residents to communicate quickly and effectively with us.

Future Projects

We are committed to providing opportunities for Māori to contribute to decision-making processes and we recognise the importance of developing relationships with South Taranaki Iwi. An Iwi-Council Partnership Strategy is being developed alongside the 2021-2031 LTP.

In November 2020 the Council resolved to introduce Māori wards for the 2022 and 2025 local body elections. This decision has initiated a Representation Review which will be undertaken in 2021.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

TE POU MANUKURA NON-FINANCIAL PERFORMANCE MEASURES

Democracy & Leadership

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/2022	Target 2022/2023	Target 2023/2024	Target Years 4 - 10
We make well informed decisions that support the current and future needs of the community.	(C) % of residents who agree decisions made by Council represent the best interests of the District.	≥ 70%	≥ 70%	≥ 70%	≥ 70%
We engage with our community and provide opportunities for the community to participate in decision-making.	(C) % of residents who are satisfied or neutral with their opportunity to participate in Council decision- making processes.	≥ 80%	≥ 80%	≥ 80%	≥ 80%
We keep residents informed of Council activities through a variety of media.	(C) % of residents who know where to access Council information when they want it (website, newspaper, Libraries, Contact Centre).	≥ 80%	≥ 85%	≥ 85%	≥ 85%
We have strong relationships with local Iwi and work together in a range of ways so that their perspectives inform our decisions.	(T) Iwi representatives are appointed to the Iwi Liaison Committee and the Council's standing committees.	100%	100%	100%	100%

COVER PAGE – THREE WATERS

NGĀ WAITORU

Includes water supply, wastewater and stormwater)

WATER SUPPLY



Why we do it

There is a strong community expectation that people are safe and their public health is protected through the delivery of the three waters services. Water supply is the most critical infrastructure service we provide as water is required in large volumes to sustain domestic, agricultural and industrial customers. Sustainable water supplies preserve the resource for future generations and high quality infrastructure helps to ensure that South Taranaki is a prosperous District. The safe disposal of wastewater protects the public health of our communities by taking domestic sewage and industrial wastes and treating them before discharging the treated effluent to the environment. Stormwater reticulation protects homes and core infrastructure such as roads and wastewater systems by helping to prevent flooding of properties and infrastructure.

High quality infrastructure supports the economic wellbeing of the District and provides a healthy and safe place to live.

Water

What we do

Our water supplies provide more than 29 million litres of drinking water each day to residential, agricultural and industrial customers from eight urban and two rural water supply schemes. Our assets include ten water treatment facilities, 37 reservoirs and 641km of water mains.

Water is sourced from the many streams that run from Mount Taranaki to the sea, or from boreholes where there is insufficient surface water of suitable quality. Our water abstraction activities are regulated by the Taranaki Regional Council, which administers consents issued under the Resource Management Act 1991. The conditions attached to the renewal of these consents as they expire are becoming more stringent, making it increasingly important to accurately measure where our water goes. This requires continually improving asset and demand management so we can justify the water we take from the environment.

Water is treated to ensure it is free from bacteria, protozoa and chemical contamination, and our ten water treatment plants meet the current drinking water quality standards. The Waverley and Kāpuni water supply schemes are fluoridated. Chlorination is now viewed as essential for the safety of public water systems and we have been upgrading our water treatment systems accordingly.

The characteristics of the Pātea bore water mean the treatment plant will require a major upgrade to ensure that chlorination is effective, and it will be fluoridated at that time.

Having at least 24 hours of treated water storage capacity allows the water treatment plants to be turned down following heavy rainfall events, as flood water can be difficult to treat. Adequate storage capacity also provides resilience in the event of natural disasters or emergencies that could affect our water supplies. We are working to ensure all of our systems have sufficient storage capacity.

Looking Ahead

We are facing possible reductions in surface water abstraction consents due to the upcoming freshwater reform. In the short term, it is likely to impact the consents for Eltham, Kāpuni and Inaha and will drive improvements in plant efficiency and stronger demand management strategies. This may include an increase in water restrictions and/or metering for new residential connections, effectively aligning us with new connection policies for the neighbouring Taranaki councils.

NGĀ PUNA WAI

Pātea has a vulnerable supply due to its full reliance on bore water and the unsuitability of the nearby river water. High residential water demand and low rates of aquifer recharge during dry summers can potentially hinder the continued supply of the bore water.

Growth areas include western and northern Hāwera, and structure plans have been developed for these areas so that development can be facilitated in an ordered manner. This will involve additional infrastructure for western Hāwera, potentially a pumping station for the growth of the northern Turuturu Road area and adequate infrastructure for the proposed South Taranaki Business Park.

Taste issues with the Eltham water scheme have necessitated an upgrade to improve taste.

Key Capital Projects

- Turuturu Road pumping station and a possible increase in pipe capacity.
- Focus of managing water consumption.
- Continued development of infrastructure for the South Taranaki Business Park.
- Improvements to the Eltham water supply to address odour and taste issues.
- Increase water production capacity and identify where additional water resources will be required for key growth areas.
- Installation of automated water metre reading equipment to all rural water connections.
- Ongoing upgrades to reticulation pipes across the District.

Eltham Water Taste and Odour	Undertake investigations for water source (bore) in 2021/22 and commission in 2022/23. Further flushing enhancements if required in 2025/26.	2021/22 2022/23 2025/26	\$1.8m
Pātea Low Water Pressure	Pressure zoning in the Pātea water supply.	2021/22 2022/23	\$540k
Ōpunakē Water Discolouration	Continue with planned de-ionisation plant in 2027/28.	2027/28	\$760k
Urban firefighting improvements - Normanby second supply line	Making network improvements to meet the current COP for schools, hospitals, and places of assembly. Other improvements will be made when pipes are renewed. Improve the Normanby water supply, which also has benefits of serving the South Taranaki Business Park.	2027/28 2028/29	\$2.7m
Turuturu Road Water Supply demand management	Investigating potential solutions and finalising best practicable option in 2021/22 with construction to be undertaken in 2022/23 and 2023/2024.	2021/22 2022/23 2023/24	\$732k
Pātea Water Treatment Plant enhancement	Installation of a full water treatment plant.	2021/22 2022/23	\$2.6m
Waimate West trunk main duplication	Construction of an additional trunk main running parallel to the current Waimate West trunk main.	2024/25 2025/26	\$2.4m
Waimate West replace reservoir 1	Replace Waimate West reservoir 1.	2026/27 2027/28 2028/29	\$9m
Kāpuni demand management	Constructing an additional borehole within the area of the three water supplies.	2023/24 2024/25	\$2.4m
Waverley replacement bore	Investigate water source and commission replacement bore.	2025/26	\$1.4m
Kāpuni Water Treatment Plant capacity upgrade	With some growth predicted in Hāwera and Normanby there will be a need to increase the capacity of the Kāpuni treatment plant at some time in the next 25 years. Managing demand for water might see this project delayed or higher than expected growth may bring it forward.	2043/44	\$2.2m
Enhanced water treatment for viruses	UV treatment would need to be added to all surface water plants to kill viruses. Secure ground water will not require further treatment.	2034/35	\$2.5m
Demand Management and Efficiency Enhancement	Introduce universal water metering, unless other technologies are developed before legislation changes are enforced.	2032 – 2034	\$6m

WATER SUPPLY

What you can expect from us?

Water intake, treatment, storage and reticulation assets are critical to providing safe and secure water to users. They require effective inspection, condition monitoring, maintenance and renewal programmes to provide the most cost-effective lifecycle for the assets. We are working on increasing the resilience of intakes to flooding events, as the water can become untreatable during these events and river-borne sand can block intakes, preventing water abstraction.

We are actively improving our scheduling processes for these activities, to minimise reactive-based works through preventative maintenance and early interventions. We have specific goals that are linked to our water safety plans, which have been approved by the Taranaki District Health Board.

The installation of remote monitoring has given us greater visibility and faster response around the failure rates of meters for large users. We will improve our meter replacement programme to better reflect the established lifecycle of meters. Likewise, our meter-backflow project has demonstrated a number of users who were taking excessive amounts of water from our network and we plan to continue auditing demand for extraordinary users to ensure that they are being fairly charged for water.

We will continue to improve our networks so they are more resilient to natural disasters. This includes back-up generators for pumps so they can operate during power cuts and removal of vegetation around critical structures such as intakes and pipe bridges.

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we acknowledge that our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we will do to minimise these effects.

Table 1: Potential negative impacts and solutions for water supply

Significant Negative Effect	Sustainable Solution
Over-extraction of water and reducing river flows can impact negatively on the ecosystems of rivers.	Effective compliance and monitoring of resource consent conditions. Apply the Taranaki Regional Council principles set out in the Regional Fresh Water Plan when considering permission to abstract water from streams and bores.
Potential delivery of contaminated water.	Effective emergency response plans, operational procedures and monitoring of raw water supplies. Public Health Risk Management Plans. Treatment of ground water supplies.
Insufficient water supplies during times of drought or emergency.	Demand management is used to reduce water demands during drought or emergency. 24 hours' water storage is available for all schemes. Investigations to improve the security of supply through developing additional water resources.

NGĀ PUNA WAI NON-FINANCIAL PERFORMANCE MEASURES

Water Supply

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
The water supply is accessible and reliable.	(C) Number of complaints received about continuity of supply (per 1,000 connections). <i>DIA Performance Measure 4d</i>	≤ 10	≤ 10	≤ 10	≤ 10
	(T) Median response time for service personnel to attend urgent call-out. <i>DIA Performance Measure 3a</i>	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs
	(T) Median response time for service personnel to resolve urgent call-out (P1 < 250 mm diameter main). <i>DIA Performance Measure 3b - New Measure</i>	≤ 5 hrs	≤ 5 hrs	≤ 5 hrs	≤ 5 hrs
	(T) Median response time for service personnel to resolve urgent call-out (P1 ≥ 250 mm diameter main). <i>DIA Performance Measure 3b</i>	≤ 9 hrs	≤ 9 hrs	≤ 9 hrs	≤ 9 hrs
	(T) Median response time for service personnel to attend non-urgent call-out (P2). <i>DIA Performance Measure 3c - New Measure</i>	≤ 2 days	≤ 2 days	≤ 2 days	≤ 2 days

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
The water supply is accessible and reliable.	(T) Median response time for service personnel to attend non-urgent call-out (P3). <i>DIA Performance Measure 3c</i>	≤ 5 days	≤ 5 days	≤ 5 days	≤ 5 days
	(T) Median response time for service personnel to resolve non-urgent call-out (P2). <i>DIA Performance Measure 3d</i>	≤ 2 days	≤ 2 days	≤ 2 days	≤ 2 days
	(T) Median response time for service personnel to resolve non-urgent call-out (P3). <i>DIA Performance Measure 3d</i>	≤ 5 days	≤ 5 days	≤ 5 days	≤ 5 days
Water supplied is clean and healthy.	(T) Extent of compliance with current NZ Drinking Water Standards (for bacteria). <i>DIA Performance Measure 1a</i>	10/10	10/10	10/10	10/10
Water supplied is clean and healthy.	(T) Extent of compliance with NZ Drinking Water Standards (for protozoa). <i>DIA Performance Measure 1b</i>	10/10	10/10	10/10	10/10
The water supply is managed sustainably (maintenance of the reticulation network)	(T) % Water Losses. <i>DIA Performance Measure 2</i>	≤ 13%	≤ 12.5%	≤ 12%	≤ 11.5%
The water supply is managed sustainably (cont.).	(T) Average consumption of drinking water per day per resident. <i>DIA Performance Measure 5</i>	≤ 390 L/c/d	≤ 380 L/c/d	≤ 370 L/c/d	≤ 370 L/c/d

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Consumers are satisfied with the Water Supply service.	(C) Number of complaints received about drinking water clarity (per 1,000 connections).	≤ 3	≤ 3	≤ 3	≤ 3
	<i>DIA Performance Measure 4a</i>				
	(C) Number of complaints received about drinking water taste (per 1,000 connections).	≤ 3	≤ 3	≤ 3	≤ 3
	<i>DIA Performance Measure 4a</i>				
Consumers are satisfied with the Water Supply service.	(C) Number of complaints received about drinking water odour (per 1,000 connections).	≤ 3	≤ 3	≤ 3	≤ 3
	<i>DIA Performance Measure 4b</i>				
	(C) Number of complaints received about drinking water pressure or flow (per 1,000 connections).	≤ 5	≤ 4	≤ 4	≤ 4
	<i>DIA Performance Measure 4c</i>				
	(C) Number of complaints received about response to the above (per 1,000 connections).	≤ 2	≤ 2	≤ 2	≤ 2
	<i>DIA Performance Measure 4e</i>				
	(C) Total number of complaints (per 1000 connections).	≤ 24	≤ 22	≤ 20	≤ 20
<i>DIA Performance Measures 4a-4e</i>					
(C) % of consumers are satisfied with the Water Supply overall.	≥ 80%	≥ 80%	≥ 80%	≥ 80%	

WASTEWATER



What we do

We have eight urban wastewater schemes where wastewater is transferred from domestic, commercial and industrial customers to wastewater treatment plants where it is treated and safely disposed of to natural waters (streams, rivers or the ocean) or by application to land. The discharges are regulated by the Taranaki Regional Council (TRC), which grants resource consents that state the quality and volumetric conditions that must be met.

In order to better manage the specific nature of industrial wastewater, we introduced a Trade Waste Bylaw in 2017. This controls the non-domestic waste we accept and how much customers pay for the service. Managing these waste streams is essential to operating our treatment plants as efficiently and effectively as possible.

Oxidation ponds are the normal treatment process, with treated effluent being discharged to an adjacent watercourse. There are exceptions – the treated effluent from Eltham and Hāwera discharges through the Fonterra sea outfall at Whareroa, and the Ōpunakē treatment plant discharges to land. The new Waiinu wastewater treatment pond uses filtration and UV disinfection to fully sterilise wastewater prior to discharge to the environment.

Like most wastewater networks around New Zealand, our reticulation suffers from rainwater getting into the pipes, either from the direct connection of roofs or paved areas or from ground water infiltrating into buried pipes through defects such as cracks. The impact of this is that the reticulation system may exceed its capacity and overflow, or we may exceed the limits of resource consents, resulting in legal action against us. Ongoing management of these issues is a high priority, both to protect the health of the community and the environment and to ensure we can demonstrate our environmental compliance.

Disapproval of uncontrolled emergency discharges of untreated wastewater to the environment is increasing. As consents are renewed it is likely that increased treatment of wastewater will be required.

Looking Ahead

The majority of wastewater collection and treatment systems have sufficient capacity for the next ten years. Our biggest future challenges will be to manage wastewater pond sludge and reduce the levels of inflow and infiltration into our pipe network, especially with the likely removal of consented emergency overflows in the coming years.

We have established a programme of sewer CCTV, network smoke testing and private property inspections to assess the condition of sewers and develop a prioritised schedule of pipes to be repaired, replaced or relined, and to remove illegal stormwater diversion into the sewer system.

Allowance has been made over the next seven years for \$1.08m per annum to be spent on sewer rehabilitation to reduce the amount of rainfall-derived inflow and infiltration and achieve the performance targets we have set. We will continue to benchmark this against other councils in the annual Water New Zealand National Performance Review.

Managing sludge levels in our oxidation ponds is a very important part of maintaining effective treatment, with those taking significant trade waste loads being the most critical. The ponds at Eltham, Hāwera and possibly Manaia are likely to require ongoing sludge maintenance, with other ponds needing intermittent desludging.

Low levels of potentially harmful organisms (norovirus) in shellfish were found after monitoring near the marine outfall in Hāwera in mid-2017. This can be infectious to humans, resulting in sickness for a few days. We are working with Iwi and the TRC on possible long-term solutions, including additional treatment at the ponds, an increased monitoring regime and an intensified public warning system. We have highlighted in our Infrastructure Strategy that there will be an additional cost to minimise re-occurrences of the norovirus reappearing in the medium term. Renewal of our discharge resource consents may require works to improve the treatment of sewage to comply with new consent conditions. This is a key driver for the treatment plant upgrades.

NGĀ PARAPARA

Key Capital Projects

- Renewal of the discharge resource consents for Waverley, Manaia, Pātea, Eltham and Hāwera emergency discharges.
- Implementing a sludge dewatering facility and a facility for receiving septic tank sludge at Hāwera Wastewater Treatment Plant.
- Improved aeration at plants with significant trade waste loads.
- Relining or replacement of the wastewater reticulation pipes to reduce the amount of rainwater entering the wastewater network.
- Renewal of wastewater pump stations and tertiary treatment of wastewater to comply with upcoming freshwater reforms.
- Upgrade of treatment plants following Best Practicable Options reports generated during the consent renewal process.

Inflow and infiltration (I&I)	The amount of water entering the wastewater networks in a number of our towns causes problems with treatment and compliance with resource consents. This comes from direct connection of stormwater to the system (Inflow) and ground water entering the pipes through cracks and other defects (Infiltration).	2022 - 2028	\$1.08m (appx) pa
Disinfection of wastewater discharges – tertiary treatment	As water quality standards are increased for watercourses based on the National Policy Statement for Freshwater Management and other environmental pressures, disinfection of wastewater treatment discharges will be required.	2025 - 2031	\$36.9m
Desludging Hāwera Anaerobic Lagoon	Hāwera’s anaerobic lagoon was installed in 1985. Due to the industrial waste that has been diverted into the lagoon since then it is now reaching its capacity. To ensure efficiency and continued capacity of the lagoon it requires desludging.	2022/23 2027/28	\$2.7m

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we are aware that our wastewater activity generates negative impacts. The table below shows the possible negative effects of this activity and what we will do to minimise them.

Significant Negative Effect	Sustainable Solution
Overflows of untreated sewage from the wastewater network due to blockages, pump station or other plant malfunction, electrical failure for pump stations, inflow/infiltration of stormwater into the sewerage network and/or insufficient capacity pose a potential serious risk to the health, social and cultural wellbeing of the community and the environment.	Compliance with resource consents. Regular monitoring and implementation of the Inflow and Infiltration Management Plan. Continuing our maintenance programme and environmental controls. Providing emergency storage tanks at pump stations for sewage overflow. Backup electrical generators at key pump stations.

WASTEWATER

Significant Negative Effect	Sustainable Solution
Discharge of sewage through the outfalls may cause environmental and health issues.	Compliance with resource consents. Regular monitoring of plant performance of the ocean outfall and environment. Rāhui on collection of seafood and public information campaigns implemented immediately.
Unmonitored trade waste discharges pose a significant risk to wastewater infrastructure, the health and safety of operations staff and the health and wellbeing of the community and the environment.	Trade Waste Officer employed to monitor compliance with Trade Waste Bylaw 2017. Penalties can be imposed by the Council for any breaches of the Trade Waste Bylaw 2017. Maintaining and operating our plants effectively. Building of collaborative approach with the major industries.
Odours produced from the collection and treatment of trade waste and domestic sewage can be offensive.	Management of trade waste in terms of the Trade Waste Bylaw. Maintaining and operating our pump stations, pipelines and plants effectively.

WASTEWATER NON-FINANCIAL PERFORMANCE MEASURES

Wastewater

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Sewage is managed without risk to public health	(T) Median response time for service personnel to attend overflow. <i>DIA Performance Measure 3a</i>	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs
	(T) Median response time for service personnel to resolve overflow. <i>DIA Performance Measure 3b</i>	≤ 5 hrs	≤ 5 hrs	≤ 5 hrs	≤ 5 hrs
	(C) Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). <i>DIA Performance Measure 4a</i>	≤ 1	≤ 1	≤ 1	≤ 1
	(C) Number of complaints received about sewerage system faults (per 1,000 connections). <i>DIA Performance Measure 4b</i>	≤ 39	≤ 38	≤ 37	≤ 37
	(C) Number of complaints received about sewerage system blockages (per 1,000 connections). <i>DIA Performance Measure 4c</i>	≤ 15	≤ 14	≤ 13	≤ 13

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Sewage is managed without risk to public health.	(C) Number of complaints received about response to issues (per 1,000 connections). <i>DIA Performance Measure 4d</i>	≤ 3	≤ 3	≤ 3	≤ 3
	(C) Total number of complaints (per 1000 connections). <i>DIA Performance Measure 4a-4d</i>	≤ 52	≤ 51	≤ 50	≤ 50
	(T) Number of dry weather overflows per 1,000 connections. <i>DIA Performance Measure 1</i>	≤ 1	≤ 1	≤ 1	≤ 1
	(T) Number of abatement notices received for discharges. <i>DIA Performance Measure 2a</i>	≤ 1	≤ 1	≤ 1	≤ 1
	(T) Number of infringement notices received for discharges. <i>DIA Performance Measure 2b</i>	0	0	0	0
	Sewage does not affect the quality of the environment.	(T) Number of enforcement orders received for discharges. <i>DIA Performance Measure 2c</i>	0	0	0
(T) Number of convictions received for discharges. <i>DIA Performance Measure 2d</i>		0	0	0	0
Residents are satisfied with Wastewater services overall.	(C) % of consumers satisfied with the Wastewater services overall.	≥ 85%	≥ 85%	≥ 85%	≥ 85%

STORMWATER



What we do

We manage and maintain stormwater assets made up of culverts, water channels, water collectors, pump stations, stormwater ponds, outfalls and pipe reticulation networks. Stormwater from residential properties is normally disposed of on-site via soakage, not through the stormwater system. To deliver stormwater services we operate a network that includes 96 km of pipes, 1009 manholes, 322 outlets, 2086 inlets and 10km of open drains.

There is a distinction between roading drainage and stormwater reticulation assets. Roothing drainage assets include culverts under roads, catch-pits, roading sumps, kerb and channel and the first two metres of discharge pipes from roading sumps. These assets collect stormwater and send it to either streams or stormwater reticulation assets.

Surface flooding of roads by stormwater is a common complaint and this can be due to blocked sumps or blocked downstream pipework. Flooding such as that in Ōpunakē during August 2015 occurred because of the significant contribution of overland flow from farmland in the uphill catchment. The Taranaki Regional Council (TRC) has responsibility for stormwater control outside urban areas, so we need to work closely with the TRC to ensure that appropriate solutions are found to flooding issues in our communities.

Whilst Waitōtara is a village within our District and has experienced major flooding several times, the responsibility for its flood defences rests with the TRC.

Prevention of flooding to all properties in all circumstances is not feasible or affordable. The focus for the performance of our stormwater networks is therefore to minimise the occurrence of flooding to houses (excluding garages and sheds).

Looking Ahead

Modelling has shown that climate change is expected to cause more intense rainfall and higher incidence of extreme weather events. Localised storms can cause significant issues such as the storm that resulted in the flooding in Ōpunakē in 2015. Managing the increase in rain fall will require improved capacity in some of our infrastructure.

The problems we are experiencing with too much stormwater entering the wastewater network may be mitigated in some instances by increasing the capacity of the stormwater network, particularly in areas of growth.

Key Capital Projects

- Upgrades to urban stormwater systems based on the risk of flooding.
- Increased capacity of stormwater systems.

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we acknowledge that sometimes our activities have negative impacts. The table below shows the possible negative effects of our stormwater activity and how we intend to minimise these effects.

Significant Negative Effect	Sustainable Solution
Discharge of polluted stormwater impacting on public health.	Compliance with resource consents. Comprehensive approach to stormwater management based on catchment management plans. Works are proposed to reduce the amount of stormwater entering the wastewater network.
Inadequacy of existing stormwater assets to cope with large rainfall events causing flooding, and erosion, which could result in social and economic hardship.	Compliance with design standards to incorporate detention ponds to prevent flooding and erosion. The Council utilises overland flow paths to increase the level of protection for houses and commercial buildings. Works are proposed to improve the level of protection in large rainfall events.

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA NON-FINANCIAL PERFORMANCE MEASURES

Stormwater

Level of Service	Performance Measure C=customer measure T=technical measure	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Council provides a reliable stormwater system which prevents houses from flooding.	(C) Number of reported flooding incidents of habitable properties. <i>DIA Performance Measure 1a</i>	< 10	< 10	< 10	< 10
	(T) For each flooding event, the number of habitable floors affected per 1,000 properties rated for stormwater. <i>DIA Performance Measure 1b</i>	≤ 1.00	≤ 1.00	≤ 1.00	≤ 1.00
	(T) Number of abatement notices received by STDC for stormwater discharges. <i>DIA Performance Measure 2a</i>	< 2	< 2	< 2	< 2
The stormwater system is managed sustainably.	(T) Number of infringement notices received by STDC for stormwater discharges. <i>DIA Performance Measure 2b</i>	0	0	0	0
	(T) Number of enforcement orders received by STDC for stormwater discharges. <i>DIA Performance Measure 2c</i>	0	0	0	0
	(T) Number of successful prosecutions made against STDC for stormwater discharges. <i>DIA Performance Measure 2d</i>	0	0	0	0

Level of Service	Performance Measure C=customer measure T=technical measure	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Council will respond promptly to reports of flooding and customer requests.	(C) Number of complaints received about stormwater system and response to issues (per 1,000 connections). <i>DIA Performance Measure 4</i>	≤ 1	≤ 1	≤ 1	≤ 1
	(T) Median response time for service personnel to attend flooding event. <i>DIA Performance Measure 3</i>	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs	≤ 2 hrs
Residents are satisfied with the Stormwater system.	(C) % of residents satisfied with the stormwater system.	≥ 80%	≥ 80%	≥ 80%	≥ 80%

COVER PAGE – SOLID WASTE
TE TUKUHANGA O NGĀ PARAPARA

SOLID WASTE



Why we do it

Our solid waste services are designed to protect the health and wellbeing of the community and the environment by ensuring the community can dispose of solid waste in a convenient, secure and sustainable manner.

What we do

We operate a weekly kerbside (wheelie bins and crate) collection service to collect waste and recyclables from approximately 8,400 households in the District's towns and along the main collection routes. We also provide a fortnightly voluntary organic waste (green waste and food waste combined) collection service on a user-pays basis to approximately 2,630 households. This green waste is composted, which reduces the amount of waste going to the landfill.

We operate seven transfer stations throughout the District to give the public and businesses access to waste disposal facilities and free recycling. Currently more than 95% of our population has access to these services within 20 minutes driving time. We also hold consents for the discharge of leachate and stormwater from seven closed landfills and legacy sites. These are at Kaponga, Manaia, Pātea, Ōpunakē, Hāwera, Otakeho and Eltham.

We have a focus on minimising the amount of waste our District sends to landfill through the implementation of the Waste Management and Minimisation Plan. Material from the recycling collection is transported to the Materials Recovery Facility in New Plymouth, where they are processed and sorted.

General waste from the South Taranaki and Stratford districts is consolidated at the Hāwera Transfer Station, where waste volumes have increased overall compared to previous years. This has been due to the re-routing of waste from contractors that previously disposed of waste directly to the Colson Road Landfill in New Plymouth. All refuse from the District is now transported to the Bonny Glen Landfill near Marton for disposal, due to the closure of the Colson Road Landfill. The decision to cart and dispose of waste to the Bonny Glen Landfill was made after options analysis determined it to be the most cost-effective method.

Looking Ahead

The quantity of waste from the South Taranaki District has increased from 6,647 tonnes in 2017/2018 to 7,992 tonnes in 2018/2019 and to 10,683 tonnes in 2019/2020. The continuous increase in waste is largely attributed to waste received from contractors that was previously disposed of directly to landfill. Any future growth from population change and new businesses should be compensated for by additional waste minimisation initiatives. It is assumed that the voluntary green waste kerbside collection service will attract about 2,700 users for the life of this Plan.

The Ministry for the Environment (MfE) have not yet released their confirmed implementation timeline for anticipated increases to the Waste Disposal Levy. We are awaiting final confirmation from MfE on the timeline of Waste Disposal Levy increases, and will only be able to budget any increase in Waste Disposal Levy revenue into strategic waste minimisation efforts once that information has been confirmed. MfE have also not yet confirmed what percentage of the Waste Disposal Levy will be returned to Council. In previous years, the amount returned to us was 50% of the Levy, but this percentage is likely to change from 1 July 2021.

Key Projects

Description	Year	Total (\$)
Hāwera Transfer Station Renewals	Years 1 to 8	\$370k
Public Places – Recycling Bins	Years 1 and 10	\$128k
Hāwera Transfer Station – Roof Protection	Years 1 and 8	\$383k

TE TUKUHANGA O NGĀ PARAPARA

Significant Negative Effects

While we strive to reduce the negative impacts of our operations, we acknowledge that sometimes our activities have negative impacts. The table below shows the possible negative effects of this activity and how we will minimise these effects.

Significant Negative Effect	Sustainable Solution
<p>Environmental and health impacts caused by the discharge of contaminants to land, air and water from waste disposal and from closed landfills.</p>	<p>Reducing the amount of waste going to landfill through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan.</p> <p>Compliance with resource consents and aftercare management.</p> <p>Regular monitoring of gas emissions and leachate from closed landfills.</p>
<p>Environmental and health impacts caused by fly-tipping and the illegal dumping of waste.</p> <p>Additional costs associated with clean-up and disposal.</p>	<p>Regular monitoring of known illegal sites and areas, erecting signage, public education and enforcement.</p> <p>Keeping transfer stations' charges/fees at affordable levels.</p>

SOLID WASTE NON-FINANCIAL PERFORMANCE MEASURES

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
A reliable weekly kerbside recycling and rubbish collection service is provided.	(T) Number of justified complaints received for missed collection that are not resolved (average per month).	2	2	2	2
	(C) % of customers satisfied with the Solid Waste collection service.	≥ 90%	≥ 90%	≥ 90%	≥ 90%
A reliable, well managed (user pays) fortnightly kerbside greenwaste collection service is provided.	(C) Average number of justified complaints received for missed greenwaste bins per collection.	≤ 5	≤ 5	≤ 4	≤ 4
Transfer stations are well maintained.	(C) Number of complaints received about poor maintenance, noise or smell for Transfer Stations.	≤ 5	≤ 4	≤ 4	≤ 4
Increasing number of tonnes per annum of recyclable material diverted from landfill.	(T) Number of tonnes of recyclable waste diverted from landfill per annum.	Maintain or improve from previous year	Maintain or improve from previous year	Maintain or improve from previous year	Maintain or improve from previous year
WASTE MINIMISATION - New measures					
Reduce the amount of rubbish/waste that is collected from kerbside collection per household.	(T) Number of tonnes of waste collected on average per household per annum.	< 320kg per household	< 310kg per household	< 300kg per household	< 290kg per household
We actively deal with litter complaints.	(C) Residents (%) who are satisfied with litter control.	>50%	>50%	>50%	>50%

COVER – ROADING AND FOOTPATHS
NGĀ HUARAHI ARA RAU

ROADING AND FOOTPATHS



Why we do it

We maintain and develop a substantial roading network to meet the needs of residents and road users within the District. Safe, reliable and accessible roading infrastructure provides access to health and social services and an efficient distribution network for residents and businesses. Roading infrastructure is essential for both the community and economic development of the District.

Our road safety programme aims to help reduce the number of crashes and fatalities on our roads. It is delivered collaboratively by the district councils in the Taranaki Region.

Providing this activity helps us deliver high quality infrastructure to support businesses and industry in South Taranaki.

What we do

We maintain and develop a substantial roading network that includes 1,377 km of sealed roads, 257 km of unsealed roads, 163 km of footpaths and 238 bridges and major culverts. This network is supported by 2,252 streetlights, 175 km of kerb and channel, 20 km of pipes.

In addition to these key assets there are about 1,007 km of “paper” or unformed legal roads that we do not maintain. Waka Kotahi, the New Zealand Transport Agency (NZTA) operates and maintains the state highway network, which interfaces with our local road network. Waka Kotahi is also our co-investment partner for funding of the local road network.

We deliver the Community Road Safety Programme on behalf of the Region and in partnership with the Stratford and New Plymouth District councils. This involves working with communities to identify and address local road safety issues by running a number of road safety campaigns and educational programmes.

The Taranaki Regional Transport Committee has a Regional Land Transport Plan 2015-2021. This document is important to the South Taranaki District Council as it establishes the regional priority for many of our transport activities, including all state highway activities, local road improvements, walking and cycling and community road safety activities.

Looking Ahead

The demand on the existing roading network is expected to continue to come from heavy industries. High Productivity Motor Vehicles (HPMV – 50Max) will put more stress on the rural roading network and will also require investigation and upgrades of bridges on permitted routes. The demand for new roads will be minor in the near future and it is expected that developers will pay the cost.

Forestry harvesting has started in the District and this activity is contributing to the deteriorating condition of our rural roads. Advance planning to upgrade and maintain these areas is required to reduce the effects of this activity. We are working with forestry owners and managers to develop road maintenance agreements for the reinstatement of rural roads at the end of the harvesting.

Recent bridge inspections and reports have indicated that there is a backlog of bridge maintenance and renewals. Climate change is also having an impact on the roading network, with frequent occurrences of extreme weather events causing significant damage to the roading network. Financial provisions are being put in place to address both the required bridge maintenance work and the repair works due to extreme weather events.

NGĀ HUARAHI ARA RAU

It is anticipated that the Financial Assistance Rate (FAR) that sets the subsidy rates that we receive for roading work will increase to 63% for the next three years. Costs for bitumen and construction, which are a large component of the roading expenditure, are expected to increase.

Key Projects

- An average of 10km of pavement rehabilitation per annum.
- An average of 90km of pavement resurfacing per annum.
- An average of 2km footpath, kerb and channel per annum.
- An average one to two bridge upgrades per annum.
- Various road safety improvements, for example road widening, speed management.

Description	Year	Total (\$)
Road Resurfacing	Years 1 to 10	\$27m
Drainage Renewals	Years 1 to 10	\$7.6m
Pavement Rehabilitation	Years 1 to 10	\$28m
Traffic Services Renewal	Years 1 to 10	\$3.3m
Footpath Renewals	Years 1 to 10	\$8m
Street Light Renewals	Years 1 to 10	\$142k

Significant Negative Effects

As shown in the table below, the Roothing and Footpaths activity generates a number of negative effects. The table shows what we will do to minimise these effects.

Significant Negative Effect	Sustainable Solution
The maintenance of the roading network may cause a number of nuisances including dust and smells.	Compliance with resource consent conditions during maintenance activities and track and record complaints.
Improvements to the roading network may encourage increased traffic volumes and increase the level of emissions.	The provision of a suitable roading network is essential to the District. The Council also invests in walking and cycling infrastructure.
Vehicle accidents have a significant effect on the social and economic wellbeing of the community.	Road safety management and public education is an ongoing focus for the Council. Minor improvement works are carried out at high risk areas to reduce crash incidents. Road safety improvements include widening of narrow roads and bridges, improving visibility at corners and speed management.

ROADING AND FOOTPATHS

Significant Negative Effect	Sustainable Solution
<p>Dust generated by traffic on unsealed roads can cause health and nuisance effects for people and stock.</p>	<p>Dust generated by traffic on unsealed roads is mitigated through regular gravelling or sealing of the roads (the latter is subject to available funds).</p>
<p>Forestry harvesting (logging) and activities requiring increased heavy traffic on low volume rural roads result in significant wear and damage to the roads, which are expensive to repair and maintain.</p>	<p>The Council will consider the introduction of a new rate or some other mechanism to partially offset the cost of heavy traffic damage to roads, possibly through a differential rate based on land-use.</p>

NGĀ HUARAHI ARA RAU NON-FINANCIAL PERFORMANCE MEASURES

Roading and Footpaths

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Council provides roads which are safe and comfortable to drive on.	(T) % of roads meeting the roughness standard (deviation of true plane) remains stable or improves. <i>DIA Performance Measure 2</i>	92%	92%	92%	92%
	(C) % of road users satisfied with the condition of Council roads.	≥ 73%	≥ 74%	≥ 75%	≥ 75%
	(T) Annual change in number of fatalities and serious injury crashes on local road network. <i>DIA Performance Measure 1</i>	Decrease by 1 or zero	Decrease by 1 or zero	Decrease by 1 or zero	Decrease by 1 or zero
The roading network is maintained in good condition.	(T) % of sealed local road network resurfaced annually. <i>DIA Performance Measure 3</i>	6%	6%	6%	6%
Footpaths are maintained in good condition and are fit for purpose.	(T) % of footpaths with condition rating 1-4. <i>DIA Performance Measure 4</i>	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Council will respond promptly to customer service requests for roads and footpaths.	(T) % of urgent customer service requests relating to roads and footpaths responded to within 2 working days. <i>DIA Performance Measure 5</i>	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	(T) % of non-urgent customer service requests relating to roads and footpaths responded to within 5 working days. <i>DIA Performance Measure 5</i>	≥ 90%	≥ 90%	≥ 90%	≥ 90%

COVER – COMMUNITY FACILITIES

TE WHARE TĀPERE O TĀNERORE ME NGĀ HUA KA PUTA MĀ TE HĀPORI

PARKS, RESERVES AND PUBLIC SPACES / PAAKA, WHENUA RĀHUI ME NGĀ WĀHI TŪMATANUI



Why we do it

We provide a range of attractive and accessible facilities for our residents, families and visitors “from the cradle to the grave.” Parks and Reserves, Public Spaces, Pathways, Halls and Swimming Pools deliver facilities for people to be active, socialise, interact and have fun. These facilities are delivered to enhance the social, health and cultural wellbeing of our communities. In support of these activity based facilities are a number of holiday parks and campgrounds that give domestic and international visitors opportunities to stay, visit and support our local communities, and quality public toilets for the comfort and convenience of people when they need them. We provide housing options for older people who are unable to access suitable housing in the private sector. We own and maintain a number of cemeteries to support the social and cultural wellbeing of our communities by providing areas to bury, visit and remember those who have passed.

Parks, Reserves and Public Spaces

What we do

We own and maintain parks and reserves across the entire District varying in size from neighbourhood ‘pocket parks’ and playgrounds, small roadside and main street gardens to sports fields, premier parks and a large scenic reserve, Lake Rotokare (240ha). We own and maintain 38 playgrounds across the District.

We have a wide range of active and passive open spaces that makes the South Taranaki District unique and are not necessarily formal parks or reserve areas. These open spaces are areas of land which the public has a relatively free right of access. They can serve a variety of purposes from recreation, amenity and preservation to providing and being part of views, protecting significant landscapes, sites and community identities and providing a focal point for a local area. Examples of these are the Ōpunakē Beach Esplanade, Campbell and Korimako Lanes in Hāwera and freedom camping sites spread around the District.

Freedom Camping

Our Freedom Camping Bylaw identifies the locations in the District where freedom camping is allowed and the types of camping permitted at each site. There are three categories of freedom camping – certified self-contained, non-self-contained and tenting.

Looking Ahead

At this stage, there is little demand for additional parks because the existing stock provides enough recreational space across the District for the current and projected population. However we received feedback from the community on providing for improved maintenance of parks and gardens particularly through the townships of our smaller rural areas. As a result of this community feedback the operational budget for parks and reserves has been increased by \$290,000 per annum from Year 4 of the Plan.

We predict that there will be a continued need for the Council to support and provide informal recreational spaces for our communities and visitors. Life expectancy is increasing, and we are becoming more aware of the need to keep fit and healthy and enjoy our retirement and independence for longer.

What negative impacts this might have

We strive to reduce the negative impacts of our operations, but we acknowledge that sometimes our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we will do to minimise these effects.

Significant Negative Effect	Sustainable Solution
Vandalism of Council parks and properties’ assets is a costly negative effect.	Vandalism can be mitigated by applying ‘Crime Prevention through Environmental Design’ principles in design - features such as improved lighting and open space, security notices and dealing with incidents of vandalism quickly (removal within 24 hours) so that these assets do not become a target. Contractors or in-house staff remove graffiti, depending on the location.

PARKS, RESERVES AND PUBLIC PLACES / PAAKA, WHENUA RĀHUI ME NGĀ WĀHI TŪMATANUI

Significant Negative Effect	Sustainable Solution
Personal injury due to failure or non-compliance of playground equipment.	This can be mitigated through good design, occasional safety audits and on-going monitoring of the condition of all playgrounds, and immediate response to reports of damage to play equipment.
Environmental and health impacts caused by larger than expected numbers of freedom camping visitors at sites throughout the District.	Increased monitoring of the camping sites was initiated in 2017 with the engagement of Kaitiaki (Freedom Camping Ambassadors) during the busier summer months.

HALLS AND RECREATION CENTRES / NGĀ HŌRO ME NGĀ WHARE Ā-REHIA

What we do

We own and manage nine halls across the District. In addition there are 34 privately owned halls managed by local communities who are eligible to apply for funding support from the Council's Rural Halls Grant Fund.

We also own a multi-function facility in Hāwera (TSB Hub) and Sports Society Hall in Manaia. We operate and maintain TSB Hub, which is open all year round for recreation, entertainment, social events, functions, programmes and regular sports code competitions. The day-to-day operations of the Manaia Sports Society Hall, such as bookings, minor maintenance and applications for grants, are managed by the Society. However, the building has been identified as earthquake-prone and has been closed. We provide an annual repairs and maintenance grant to the Sandfords Event Centre in Ōpunakē.

A partnership between the Hāwera Memorial Theatre Friends Trust and the Council was formed in 2011. The Trust is able to seek external funding for specified projects including funding to allow school students the opportunity to be involved in experiencing the theatre environment through the school curriculum. It also raises funds that are re-invested to enhance the theatre and the user experience.

A number of our halls have been assessed as earthquake-prone and have been closed for strengthening or review of future service provision. Strengthening work and refurbishment has been completed on the historic Hunter Shaw Building in Pātea. In Manaia, the Memorial Hall and Sports Society Hall are both closed due to their earthquake risk. Plans are underway to consolidate these two community facilities into one building. We have committed \$1 million towards this project, to be undertaken within the 2021-2031 LTP.

A major challenge continues to be the cost of maintaining the current stock and condition of halls through user charge and contributions. User fees and charges only contribute a small amount of the annual cost of maintaining halls.

Looking Ahead

Demand for the halls is expected to remain at the current level or reduce over the life of the Long Term Plan. The replacement of the halls in Manaia will reduce the number of halls by one and we have no plans over the next ten years to build or acquire additional halls. South Taranaki's population projections are for static to minimal population increases and the current capacity of our halls can accommodate a significant increase in users, should that happen in the future.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

SWIMMING POOLS / NGĀ PUNA KAUIHOE

What we do

The provision of Swimming Pools enables us to provide and operate the Aquatic Centre in Hāwera and six other community pools across the District. An annual grant is also made towards the operation of the public community pool at Ōpunakē High School.

The community pools open mid-December and close after Taranaki Anniversary weekend in March. These pools have free access during advertised public sessions and are staffed by qualified lifeguards. All of these facilities feature main pools suited to adult use, plus learners’ and toddlers’ pools.

The Hāwera Aquatic Centre has an indoor complex that runs year-round. It includes a 25 metre six lane main pool, a learners’ pool plus a children’s splash park, giant hydro-slide and a thermal pool. The outdoor complex opens the first weekend of December through to the last weekend in March and includes a 50 metre seven lane pool and a children’s pool with novel play features. All pools are heated. The Hāwera Aquatic Centre is an accredited Poolsafe facility. Poolsafe is a national “best practice” project administered through Recreation Aotearoa. Qualified instructors deliver programmes that cater to all ages and abilities. Programmes include Learn to Swim, Kayaks, Aquatots, AquaFit and School lessons.

Looking Ahead

Year on year, pool use across the District remains steady, although the outdoor community pools are subject to seasonal weather variations. Daily attendances are recorded and reported through the Facility Usage report presented at each Community Board meeting.

Maintaining robust and attractive assets and ensuring effective, safe operational capacity at an acceptable level of quality is the *facility focus* for the next three years. The *programme focus* is to further improve the reach and effectiveness of swim and survive programmes at all operational sites and to South Taranaki schools.

Capital investments at Rāwhitiroa, Waverley, Kaponga, Pātea and the Aquatic Centre have improved the quality of operations at these pools. A project within this Long Term Plan is to complete the significant improvements for the Manaia Pool, which began in the 2019/20 financial year.

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we acknowledge that sometimes our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we will do to minimise these effects.

Significant Negative Effect	Sustainable Solution
Environmental impact through the transmission of water borne contaminants.	Pool Water Risk Management Plans address a range of potential risk elements that may arise in conjunction with provision and operation of the pools. The Risk Management Plan for the Hāwera Aquatic Centre is reviewed annually, prior to the annual Poolsafe review.
Chemicals commonly associated with swimming pool water treatment may pose a risk to the environment through accidental spillage.	Secondary containment vessels are provided to mitigate spills from liquid chemicals.
Accidental injury to pool users and even death by drowning or activity related injury or stress.	Qualified lifeguards are employed to supervise the pools and respond to emergencies that may arise when the pools are open for public use. All staff employed at Council operated pools are required to hold current First Aid Certificates and all lifeguards hold current Pool Lifeguard Practising Certificates.

PUBLIC TOILETS / WHAREPAKU TŪMATANUI

What we do

We own and maintain 38 public toilets at locations across the District. Additionally, we have two re-locatable toilet pods at Denby Road, Hāwera and at the Cape Egmont Boat Club on Cape Road, Ōpunakē. There are five dump stations across the District (for motor homes to dispose of waste).

Looking Ahead

The key issue for our public toilets is the significant demand for new or improved facilities across the District. With 38 public toilets across the District and a static population, we do not anticipate a demand for more toilets.

The completion of Te Ramanui o Ruapūtahanga (the new Culture, Heritage, Library and Information centre) in Hāwera will include new public toilets. Whilst they will not be open 24 hours per day, they will be presented to a much higher standard than the current toilets. 24 hour access to toilets will still be available at King Edward Park and the Tower Grounds. The old Regent Street toilets will be retired once the new facility is completed.

While visitor numbers are not monitored, there is anecdotal evidence of higher public toilet use during the summer months (particularly in coastal areas), school holidays and during events. During these times, we keep in close contact with the cleaners to make sure the toilets are clean and meeting demand.

Future Projects

New public toilets are planned to be incorporated into Te Ramanui o Ruapūtahanga in the Hāwera CBD. Once Te Ramanui has been completed the existing public toilets in Regent Street in Hāwera will be retired. There are also plans to replace the public toilets on Egmont Street in Pātea.

Significant Negative Effects

We strive to reduce the negative impacts of our operations, but we acknowledge that sometimes our activities can have negative impacts. The table below shows the possible negative effects of this activity and what we will do to minimise these effects.

Significant Negative Effect	Sustainable Solution
Environmental and health impacts from a potential sewage spill from a public toilet.	Regular condition inspections, monitoring and maintenance, close liaison with wastewater service engineers and prompt response to customer requests.
Vandalism of public toilets.	Vandalism can be mitigated by applying 'Crime Prevention through Environmental Design' principles in design – features such as improved lighting and open space, security notices and dealing with incidents of vandalism quickly (removal within 24 hours) so that these assets do not become a target.

HOLIDAY PARKS / NGĀ PĀKA HARAREI

What we do

We provide five holiday parks at Ōpunakē Beach, Hāwera, Pātea Beach, Waverley Beach and Waiinu Beach, and a campground at Lake Rotorangi (Pātea Dam).

The management and operation of these holiday parks and campground varies. Ōpunakē and Pātea Beach Holiday Parks are leased to private operators; Waverley Beach, Waiinu Beach and the Hāwera Holiday Parks are managed in-house and we employ a part time custodian at Waiinu over the summer period when demand is high. The Lake Rotorangi Campground at the Pātea Dam is managed by a voluntary Trust in partnership with the Council.

The Kaūpokonui Beach Motor Camp is supported through a partnership with the Kaūpokonui Beach Society, which manages this facility and reinvests the income from the bach rentals in the development of the reserve.

The Hāwera Holiday Park facilities were upgraded in 2013 and patronage has increased steadily as a result.

Looking Ahead

The key issues affecting demand forecasts for holiday parks are; more mobile retired age group using motor homes; competing pressures on available leisure time increasing Taranaki residents' use of local holiday parks; preferred use of alternative non Council-owned venues; and an increase in freedom camping across the District.

Little data is available on historical user statistics, as visitor nights are not recorded at most of the holiday parks. Anecdotal evidence, however, suggests there is adequate capacity to meet an increase in demand as existing holiday parks are rarely at full capacity during the busiest season in the school summer holidays.

Future Projects

Capital investment is required at the Ōpunakē Beach Holiday Park to improve drainage, stabilise surrounding cliffs and improve facilities at the Manager's residence.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

CEMETERIES / NGĀ URUPĀ

What we do

We actively manage ten cemeteries across the District and own the Armed Constabulary Cemetery on the banks of the Ōpunakē Lake. We own the land at the Rāhotu and Waverley Cemeteries, which are managed by Trusts. We provide an annual grant to the Waverley Cemetery Trust.

As well as the land for cemeteries we also manage the associated roading, car parks, toilet blocks, rubbish bins, concrete berms and lowering devices required for proper management of cemeteries.

Looking Ahead

The number of South Taranaki residents aged over 65 years is expected to increase over the coming decade. This could result in increased pressure on cemetery space. Based on expected demand we still have space available across the District for a further 50 years.

The number of interments are about the same annually, with cremations trending upwards. If this continues over the next ten years less land will be used, offsetting the demand for more land to be developed as cemetery.

As the ethnic profile of the District diversifies further there will be a need to be more culturally sensitive about the provision of different burial areas in our cemeteries.

Future Projects

Over the next ten years the main projects to take place is expansion developments at Ōpunakē, Waihi and Kapinga cemeteries.

Significant Negative Effects

The Cemeteries activity has minor negative impacts.

Significant Negative Effect	Sustainable Solution
Discrepancies in the allocation of burial plots can have a significant negative effect on public confidence in the Council's management of cemeteries, as well as a direct impact on the families involved.	Maintaining accurate, up-to-date records including an annual programme of checking and cross-referencing burial data to make sure it is correct (cemetery surveys). Maintaining close working relationships with contractors and funeral directors.

PATHWAYS / NGĀ ARA HĪKOI

What we do

Our Pathways Strategy adopted in 2014 has a programme of pathway developments that will provide additional recreational opportunities for the community and visitors. We work with key stakeholders to develop these new pathways (walkways/cycleways) identified by the community and prioritised by the Council and improve our existing pathways.

Looking Ahead

Funding for these new routes is subject to available existing reserves and external funding, the negotiation of access and in some cases the support of user groups. It is also possible that some sections may be delayed or not proceed as a result of access issues.

Future Projects

Future projects could be determined in consultation with the community to confirm their priorities.

Significant Negative Effects

Gaining the required permissions to build new Pathways can be extremely time consuming for staff and not all residents are happy to have pathways developed through or next to their land.

HOUSING FOR THE ELDERLY / WHARE ATAWHAI KAUMATUA

What we do

We have 68 housing units for older people across the District. We are committed to providing safe, comfortable and affordable accommodation for our tenants. Our Pensioner Housing Policy contains minimum standards for housing, including the installation of insulation, cost-effective heating, accessible showers and all units have a separate bedroom, except for one bedsit unit.

We manage the tenancies and provide a support service to help tenants live independently in their communities. This includes regular visits to tenants and support to access appropriate health and social services.

Looking ahead

Demand for units has increased steadily over the past three years and occupancy levels are high in all communities. The number of South Taranaki residents aged over 65 years is expected to increase from 4,894 in 2021 to 6,143 in 2031. Other factors that are likely to increase demand are declining levels of home ownership and the number of older residents returning to the District upon retirement.

Funds raised from the sale of old and unsuitable units are redirected into the Housing for the Elderly activity. The funds from the sale of the Dixon Court bedsit units in Hāwera in 2011 and the Meredith Street bedsit units in Pātea in 2015 have been used in this way, as will the funds from the proposed sale of the old units at 8 King Street in Ōpunakē.

Future Projects

We are progressively upgrading our units to meet the minimum standards defined in the Pensioner Housing Policy adopted in 2011. Ceiling and floor insulation has been installed in the 58 units with accessible ceiling and floor cavities and a further four will be insulated in conjunction with roof replacements. Heat pumps have been installed in 63 units.

Interior upgrades of 53 units, including the installation of accessible showers, have been completed and 8 of the remaining 10 units will be refitted as the units are vacated. Land has been purchased in Hāwera for future development.

The Pensioner Housing Policy will be reviewed in 2020/21. Our current policy is to charge 80% of market rates; however, these were not increased for the 2020/21 financial year. The Council adopted a nil increase on all fees and charges in 2020/21 as a recovery measure post COVID-19.

Significant Negative Effects

Demand for older people's housing is projected to increase and housing is often not available at the time when potential residents need it. There are also sometimes issues between residents.

COMMUNITY FACILITIES

Key Projects

Description	Year	Total (\$)
Parks & Reserves		
Soft fall replacement for all playgrounds	Years 2, 5, 8	\$703k
King Edward Park Gates Renewal	Year 3	\$108k
Playground Upgrades	Years 2, 4, 6, 8, 10	\$644k
Recreation Centers		
TSB Hub – Renewals	Years 1 to 10	\$578k
Eltham Town Hall Building Compliance	Years 1 and 2	\$211k
Hāwera Community Centre – Drapes and Carpets	Years 1, 2 and 4	\$94k
Swimming Pools		
Rural Pools Plant Renewals	Years 1 to 10	\$347k
Waverley Swimming Pool	Year 3	\$260k
Hāwera Aquatic Centre Renewals	Years 1 to 10	\$720k
Public Toilets		
Pātea – Egmont Street Toilet	Years 4 and 5	\$358k
Ōhawe Beach Toilet	Years 2 and 3	\$130k

Description	Year	Total (\$)
Holiday Parks		
Hāwera Holiday Park	Years 1 to 10	\$96k
Ōpunakē Beach Holiday Park	Years 1 to 10	\$70k
Waverley Beach Holiday Park	Years 1 and 2	\$274K
Cemeteries		
Cemetery Concrete Berm Renewals	Years 1 to 10	\$93k
Ōpunakē Cemetery Extension	Year 1	\$26k
Waihi Cemetery Extension	Year 2	\$27k
Kaponga Cemetery Entrance Renewal	Year 1	\$15k
Pathways		
Waverley Beach Connection Pathway *	Years 3 and 4	\$693k
Waverley Town Belt Pathway *	Years 7 and 8	\$474k
Housing for the Elderly		
Housing Renewals	Years 2 to 10	\$956k

* These projects will form part of the Waverley Town Centre Master Plan revitalisation projects.

COMMUNITY FACILITIES NON-FINANCIAL PERFORMANCE MEASURES

Community Facilities

Parks and Public Spaces

Level of Service	Performance Measure	Target	Target	Target	Target
	<i>C=customer measure</i>	2021/22	2022/23	2023/24	Years 4 - 10
	<i>T=technical measure</i>				
Parks and public spaces are tidy and well maintained.	(C) % of customers satisfied with the level of maintenance in Council parks, reserves and public spaces.	97%	97%	97%	97%
	(C) % of customers satisfied that the provided playgrounds meet the needs of users.	≥ 90%	≥ 90%	≥ 90%	≥ 90%

Recreation Centres

Level of Service	Performance Measure	Target	Target	Target	Target
	<i>C=customer measure</i>	2021/22	2022/23	2023/24	Years 4 - 10
	<i>T=technical measure</i>				
Recreation Centres are well maintained and serviced.	(C) % of customers satisfied with the maintenance and cleanliness of recreation centres.	≥ 90%	≥ 90%	≥ 90%	≥ 90%

COMMUNITY FACILITIES NON-FINANCIAL PERFORMANCE MEASURES

Swimming Pools

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Rural Pools are attractive and well maintained environments.	(C) % of customers satisfied with pool environments. Average across all Rural Pools	≥80%	≥80%	≥80%	≥80%
Rural Pools water quality is safe.	(T) % of compliance with NZ5826 through regular water quality tests.	≥ 90%	≥ 90%	≥ 90%	≥ 90%
The Hāwera Aquatic Centre is a well maintained environment.	(C) % of users satisfied with the venue being well maintained.	≥ 90%	≥ 90%	≥ 90%	≥ 90%
The Aquatic Centre is a safe environment.	(T) The Aquatic Centre holds current national Poolsafe™ accreditation.	Held	Held	Held	Held
Customers are satisfied with services.	(C) % of users satisfied with services at Hāwera Aquatic Centre.	≥ 90%	≥ 90%	≥ 90%	≥ 90%

Public Toilets

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Toilets are clean and well maintained.	(C) % of residents satisfied with cleanliness and maintenance of Public Toilets.	≥ 80%	≥ 80%	≥ 80%	≥ 80%

COMMUNITY FACILITIES NON-FINANCIAL PERFORMANCE MEASURES

Cemeteries

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Cemeteries are tidy and well maintained.	(C)% of customers satisfied with the tidiness and level of maintenance at Cemeteries.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Interments are managed with respect and sensitivity.	(C) Number of complaints regarding interment processes.	≤ 3	≤ 3	≤ 3	≤ 3

TSB Hub

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
TSB Hub is an attractive, well maintained and well used venue.	(C) % of users satisfied with standard of service provided.	≥ 90%	≥ 90%	≥ 90%	≥ 90%
TSB Hub provides a safe environment.	(T) Number of accidents reported per annum due to poor maintenance or design.	≤ 3	≤ 3	≤ 3	≤ 3

COMMUNITY FACILITIES NON-FINANCIAL PERFORMANCE MEASURES

Housing for the Elderly

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Council will provide well maintained and fit for purpose Housing for the Elderly.	(T) % of Housing units are rated good to very good using the minimum standards included in the Pensioner Housing Policy.	90%	95%	95%	95%
	(T) % of Housing Units which meet the Residential Tenancies Healthy Homes Standards 2019.	50%	80%	100%	100%
	(C) % of tenants satisfied with the standard of their accommodation.	95%	95%	95%	95%

COVER PAGE – ARTS & CULTURE
NGĀ MAHI Ā – TOI ME RĒHIA

ARTS / RATONGA TOI



Why we do it

Arts, Culture and Heritage allows us to build vibrant communities and enables people to be connected and informed through opportunities to participate in creative outlets and by honouring and protecting the past. Our seven LibraryPlus centres provide access to a wide range of free services, information and recreational resources. Professional support, coordination and facilitation for creative activities enhance our cultural diversity and District heritage services increase our communities' sense of identity and encourages the protection of our heritage.

Arts

What we do

We provide a point of co-ordination for the creative community and offer professional advice and facilitation to increase the visibility of art throughout the District. Established annual projects include the Council Art Lease Programme and curated exhibitions at community art galleries. On-going collaborative projects include the Taranaki Art Awards, Arts in the Park, Paepae in the Park and the Creative Communities Funding Committee.

Looking Ahead

While there is continued demand for more assistance it is not anticipated that there will be any increase in the level of service currently being provided.

No major projects are planned, however we will continue to deliver a wide range of events and activities and provide a point of co-ordination over the term of the Plan. We will work with the Lysaght Watt Art Gallery as it transitions to a new gallery space in Te Ramanui o Ruapūtahanga.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

AOTEA UTANGANUI – MUSEUM OF SOUTH TARANAKI



What we do

We partner with the South Taranaki District Museum Trust to provide District heritage services through the management of Aotea Utanganui – Museum of South Taranaki. The Trust owns the Museum and the collection and we manage the Museum operations through a formal partnership.

We provide professional advice and support to the Trust, as well as to individuals and groups that wish to preserve their tāonga, objects and archives. We actively promote the District's heritage, the Museum and its activities. There is also provision for travelling exhibitions around the District to take the Museum to the people.

Looking Ahead

There is an increasing expectation for heritage information to be available online and the Trust may need to seek funds in the future to achieve this.

The space available for archival materials has been increased significantly but, as clubs and organisations close, the demand for space to store records and memorabilia will continue to grow. There may be a need to consider providing more space for archive storage. The Trust is developing Stage Two, which will include a new building on the section behind the Museum. Any extension will depend on funds raised by the Trust. Many large pieces of the collection are currently held off site and the Trust is working towards bringing these back to Aotea Utanganui.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

LIBRARYPLUS / WHARE PUKAPUKA ĀPITIHINGA



What we do

Our seven LibraryPlus centres provide a free lending service to all residents and services that include literacy, housebound book service, local history and heritage, book clubs, activities and programmes for all age groups. They also provide local access to a range of Council services (such as dog registrations and rates payments) and a public space that is warm, safe and inviting.

The libraries provide an online presence through www.southtaranaki.com, which enables borrowers to reserve and/or renew items, check the catalogue, access online newspapers and resources. Users can communicate with the libraries on Facebook, Twitter, Pinterest and the LibraryPlus blog. A partnership with the Aotearoa People’s Network Kaharoa enables free internet access for all residents and visitors.

We have a library management software service with the Stratford Library through a shared services agreement that allows users to seamlessly borrow from any South Taranaki or Stratford Library and return items to any branch.

The library collection is a District resource of books, eBooks, eAudio, graphic novels and magazines, and

provides access to online newspapers and databases.

Looking Ahead

Libraries, and the world they exist in, are in a transitional print/digital state and, particularly in smaller communities, this is likely to exist for many years to come despite the rapid pace of technological change. The range of ways people can use library resources both internally and externally through digital access is increasing and the library as the “third place” has become important for studying, business meetings and connection with people. This is a worldwide trend we expect to continue.

While the trends might show fewer people borrowing physical items, interactions with our residents will be more time consuming and intensive as we play a greater role in educating and supporting the public to flourish in a hybrid digital world. There is an increasing push for people to access government services online, at the same time as many people are moving away from eBooks and choosing to spend less time online. This means in coming years our LibraryPlus centres will place more emphasis on maintaining a diverse online presence and remaining current with digital technologies while pursuing partnerships with other organisations to enhance service delivery.

We are building Te Ramanui o Ruapūtahanga, a multi-purpose district centre for Heritage, Arts, Library, Culture and Information in Hāwera, which

will provide library, arts and cultural services to all of the District’s residents.

A Radio Frequency Identification (RFID) system will replace the current barcode system and offer another method of inventory management and self-service checkout by patrons. These systems have become less expensive as technology has improved and most libraries are moving in this direction, especially when extending or building libraries.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Key Projects

Description	Year	Total (\$)
Books	Year 1 to 10	\$2.8m
Ōpunakē LibraryPlus – veranda roof and heat pump replacement	Years 1 and 5	\$76K
Eltham LibraryPlus – reroof, carpet and vinyl, heat pump replacement, fence replacement and carpark	Years 3, 4, 6 and 8	\$141k
Kaponga LibraryPlus – carpet and vinyl	Year 10	\$27k
Pātea LibraryPlus – heat pump replacement, carpet and vinyl	Years 3, 5, 6 and 10	\$101k

ARTS AND CULTURE NON-FINANCIAL PERFORMANCE MEASURES / RATONGA TOI ME TE AHUREA INE MAHI KORE PŪTEA

Arts

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Opportunities are provided to participate in arts activities.	(C) Number of programmes or projects facilitated or supported per annum. New Measure	10	10	10	10

LibraryPlus

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
LibraryPlus facilities are well resourced and have friendly, helpful staff.	(C) % of customers satisfied with facilities and customer service.	≥ 96%	≥ 96%	≥ 96%	≥ 96%
LibraryPlus materials and resources are relevant to current information and leisure needs of the community.	(C) % of customers satisfied with materials, resources and information provided.	≥ 96%	≥ 96%	≥ 96%	≥ 96%

**COVER PAGE - DISTRICT ECONOMY
WHAKATIPURANGA O TE ROHE**

ECONOMIC DEVELOPMENT / WHAKAWHANAKE OHANGA



Why we do it

District Economy allows us to create a vibrant and prosperous environment for residents and visitors, which is a key community outcome for us. The Economic Development activity seeks to contribute to this outcome by supporting new and existing businesses to develop and grow.

Tourism promotion attracts visitors to the area who stay in our accommodation, visit our attractions and use other services such as petrol stations, restaurants and retail stores. Visitors also add to the vibrancy and cultural vitality of our District through interaction with residents and mixing of their cultures into our lives.

Events provide the community with a range of entertainment, cultural and recreational activities that contribute to the vitality and uniqueness of our communities, making them more attractive to current and prospective residents.

Economic Development

What we do

We support the economic growth of the District through our Economic Development Strategy, adopted in 2007 and reviewed in 2013. The Strategy identifies our role in economic development and highlights issues and opportunities for the District.

We have contributed to the development of Tapuae Roa, the Taranaki Regional Economic Development Strategy. The core focus of Tapuae Roa is people - it is people that take economies forward. We are also a partner in Taranaki 2050, the transition to a low emissions economy.

We have a partnership with Venture Taranaki Trust, which acts as a regional development agency with priorities to provide a strategic and focused approach to regional economic development.

In 2015, we adopted the Hāwera Town Centre Strategy that included a series of specific actions to enable positive change to take place in the Hāwera Town Centre over time. The creation of the Campbell Lane and Korimako Lane, Te Ramanui o Ruapūtahanga development and the realignment of various roading networks in the centre are evidence of the momentum and success of the Strategy.

We hope that our investment in infrastructure in the Hāwera town centre will be a catalyst for other investors, property owners and businesspeople to further enhance and grow the economic base of Hāwera and the District through investment. We are also open to discussions with investors on possible joint venture opportunities if there is proven benefit for the betterment of the District.

Looking Ahead

Digital enablement of the South Taranaki business community presents one of the biggest opportunities for our District. Being connected, found and trading online is a key driver for economic growth and resilience. During the 2021-2031 we have committed to developing an Innovation Hub in the Hāwera town centre.

An excellent lifestyle coupled with an increase in remote or home-based work has South Taranaki well placed to attract new people to the District. Promoting South Taranaki as a great place to live, invest and do business can be done through targeted marketing campaigns. We also need to ensure that we provide an environment conducive to business, through high speed internet connectivity, business support, land and housing availability and solutions focused customer service.

ECONOMIC DEVELOPMENT / WHAKAWHANAKE OHANGA

We undertook a feasibility study in 2018 on the establishment of a business park in the District. The area identified in the feasibility study requires significant investment in infrastructure to service future businesses that locate in the business park.

The draft town centre master plans developed for Ōpunakē, Manaia, Eltham, Waverley and Pātea provide a basis for future development and enhancement of these towns. The implementation and associated costs will be considered as part of this LTP and form a key consultation topic we are seeking feedback on. We are also committed to further implementation of the Hāwera Town Centre Strategy.

The Economic Development activity enables us to provide high quality infrastructure and support businesses and industry work towards a sustainable economy and prosperous District.

Key Projects

Description	Year	Total (\$)
South Taranaki Business Park	Years 1 to 6	\$12.2m
Waverley Town Centre Master Plan	Years 1 to 9	\$2m
Pātea Town Centre Master Plan	Years 2 to 10	\$2.3m
Eltham Town Centre Master Plan	Years 1 to 10	\$2.3m
Ōpunakē Town Centre Master Plan	Years 2 to 10	\$2.2m
Manaia Town Centre Master Plan	Years 1 to 10	\$1.8m
Hāwera Town Centre Additional Projects	Years 3 to 10	\$4.6m

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

TOURISM AND EVENTS / TĀPOI ME NGĀ MAHI MANAWAREKA



Tourism and Events

What we do

The South Taranaki i-SITE Visitor Centre promotes the District's attractions and facilities to visitors to the area and local residents. The i-SITE is a member of i-SITE New Zealand national network and holds and maintains Qualmark accreditation.

In conjunction with the other territorial authorities in Taranaki, we have a partnership with the Region's economic development and tourism agency, Venture Taranaki Trust (VTT). The purpose of this partnership is to develop tourism businesses in the Region, increase the number of quality tourism experiences the Region has to offer and to attract visitors through promotional activities.

We support and organise a range of events throughout the District through sponsorship, ticketing and bookings, facilitation of a local element of regional/national events, promotions and marketing support or complete organisation of an event. We also work to attract events to the District that not only add vibrancy and enrich our communities but also attract visitors and add economic benefits to our businesses.

Looking Ahead

Over the last two years (19/20 and 20/21) the number of visitors to the South Taranaki i-SITE has been impacted by COVID-19 and the lack of international visitors to the country. However, domestic tourism has increased since the lockdown ended in May 2020 and is expected to remain strong. At this stage it is unknown what longer term impact COVID-19 will have on the visitor industry.

Demand for events continues to grow and we will continuously monitor the support for and attendances at events, and review each event at its conclusion. We will respond and assess any new initiatives or opportunities that may arise.

The i-SITE will be part of Te Ramanui o Ruapūtahanga, the new multi-purpose library, culture and heritage facility in Hāwera and will move into this new facility when it is completed.

Significant Negative Effects

Freedom camping can have a negative effect on the environment; however, this is managed through Kaitiaki (Ambassadors) who monitor freedom camping sites over the summer to ensure the Freedom Camping Bylaw is being adhered to.

DISTRICT ECONOMY NON-FINANCIAL PERFORMANCE MEASURES

Economic Development

Level of Service	Performance Measure	Target	Target	Target	Target
	<i>C=customer measure</i> <i>T=technical measure</i>	2021/22	2022/23	2023/24	Years 4 -10
Existing or new businesses are supported and assisted to grow.	(T) Number of unique visitors to the South Taranaki digital business hub per annum.	6,000	10,000	12,000	12,000
South Taranaki is promoted as a great place to invest and do business.	(T) Number of promotions about investing and doing business in South Taranaki per annum.	6	7	8	10

Tourism

Level of Service	Performance Measure	Target	Target	Target	Target Yr 4-10
	<i>C=customer measure</i> <i>T=technical measure</i>	2021/22	2022/23	2023/24	
Customers are satisfied with the level of service they received at the i-SITE.	(T) Qualmark accreditation is maintained.	Held	Held	Held	Held

Events

Level of Service	Performance Measure	Target	Target	Target	Target
	<i>C=customer measure</i> <i>T=technical measure</i>	2021/22	2022/23	2023/24	Years 4 - 10
Council will provide, encourage and/or support events within the District.	(T) Minimum number of events Council has provided or supported per annum.	≥ 10	≥ 10	≥ 10	≥ 10
Council events are well organised and well attended.	(C) % of attendees satisfied with selected Council events.	≥ 90%	≥ 90%	≥ 90%	≥ 90%

**COVER PAGE - COMMUNITY DEVELOPMENT
WHAKAWHANAKE HAPORI**

COMMUNITY DEVELOPMENT AND SUPPORT / WHAKAWHANAKE HAPORI ME TE TAUTOKO



Why we do it

We are committed to working in partnership with our communities to ensure that their views and aspirations are considered, and they are supported to develop and implement projects that improve their wellbeing and contribute to our Community Outcomes. We are committed to delivering a safe, resilient, informed and connected community.

What we do

We work alongside our communities to provide, encourage and support projects and activities that enhance the District's wellbeing. To achieve these objectives we actively engage with all members of the community to identify and achieve the outcomes they desire for themselves.

We administer the South Taranaki Creative Communities Scheme and Sport NZ Rural Travel Fund on behalf of central government and a number of Council funds including the Community Board Local Discretionary Fund, Iwi Liaison Tangata Whenua Fund, Waimate Development Levy, Pātea Centennial Bursary, and grants to rural halls and community surveillance systems. We are also developing a Community Funding Policy which will outline the funding provided through the Long Term Plan and Annual Plan processes and will provide a guide for the community on all the funds coordinated by the Council.

Through the Mayor's Taskforce for Jobs forum we support and promote local employment opportunities and celebrate young people's workplace achievements.

Looking Ahead

Our population is ageing and accessibility for all is a key consideration in ensuring our communities are safer, more liveable and people-friendly environments. Connecting with youth and all members of our community is important to ensure our towns grow their vibrancy and attractiveness.

The draft town centre master plans developed for Ōpunakē, Manaia, Eltham, Waverley and Pātea provide a basis for future development and enhancement of these towns. The implementation and associated costs will be considered as part of this LTP and form a key consultation topic we are seeking feedback on.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Key Projects

Description	Total (\$)	Year
Waverley Town Centre Master Plan	Years 1 to 9	\$1.9m
Pātea Town Centre Master Plan	Years 2 to 10	\$2.3m
Eltham Town Centre Master Plan	Years 1 to 10	\$2.3m
Ōpunakē Town Centre Master Plan	Years 2 to 10	\$2.2m
Manaia Town Centre Master Plan	Years 1 to 10	\$1.8m

COMMUNITY DEVELOPMENT NON-FINANCIAL PERFORMANCE MEASURES / WHAKAWHANAKE HAPORIINE MAHI KORE-PŪTEA

Community Development

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Communities and the Council are supported to develop and implement projects that improve the District's wellbeing.	(T) Number of community and Council projects and activities provided, encouraged and supported.	≥ 25	≥ 25	≥ 25	≥ 25

**COVER PAGE - REGULATORY SERVICES
RATONGA WHAKATURE**

ACTIVITIES IN THIS GROUP INCLUDE: BUILDING CONTROL / PLANNING / ENVIRONMENTAL HEALTH – Licensing – Food, Alcohol and Gambling / ANIMAL SERVICES AND NUISANCE CONTROL / PARKING CONTROL

BUILDING CONTROL / WHARE HANGATIKA



Why we do it

The purpose of this activity is to protect the environment and the people that live in it. We mainly do this through the administration of a broad range of statutory functions. The group has a service delivery role across numerous statutes with all five functions working together towards maintaining an attractive place for people live and to do business and an environment where they feel safe.

Building Control

What we do

The Building Control activity manages the processing of building consent applications and inspecting building work for approximately 600 applications each year. We are available to provide information to customers regarding compliance for building projects and undertake a monitoring role by ensuring compliance of buildings used by members of the public, dangerous and earthquake prone buildings, and residential pools.

Looking Ahead

We have been working towards a fully digitised building control service and already process building consent applications and inspect building work electronically. From 2020 onwards our customers will experience a fully digital service and be able to submit applications and conduct all communication with the team via an online portal.

We must retain accreditation as a Building Consent Authority and will undergo a routine assessment by International Accreditation New Zealand (IANZ) in June/July 2021.

Significant Negative Impacts

There are no significant negative effects from the delivery of this activity.

Key Projects

Description	Year	Total (\$)
Pound – fencing, building renewals and fridge/freezer	Years 2, 5, 6, 7 and 10	\$143k

PLANNING / WHAKAMAHERE



What we do

The Planning activity involves applying the provisions of the South Taranaki District Plan. In particular it provides advice on subdivision and land use activities, processes applications for resource consent when proposed activities fall outside of the environmental controls jointly established by the community and the Council, and monitoring compliance with the District Plan and resource consent conditions.

We support the development of environmental policy with the purpose of promoting sustainable management of the environment through the District Plan. The District Plan controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected for the benefit of the whole community. Environmental policy also involves providing funding assistance to people protecting areas of indigenous vegetation or habitats of indigenous fauna.

Looking ahead

The number of applications for resource consents is not expected to increase significantly over the next ten years. We anticipate that the local economy will recover from the COVID-19 pandemic and this could involve some significant developments occurring.

We will respond to any further changes to the Resource Management Act 1991.

Significant Negative Impacts

There are no significant negative effects from the delivery of this activity. Planning aims to reduce negative effects on the environment.

ENVIRONMENTAL HEALTH – LICENSING – FOOD, ALCOHOL AND GAMBLING / HAUMARU TAIAO – RAIHANA – KAI, WAIPIRO ME TE PETIPETI



What we do

Our Environmental Health activity protects the community by registering and inspecting premises that prepare or sell food; hairdressers, funeral homes and offensive trades; investigating complaints about consumed food including the manner of its preparation and the state of premises used for food preparation; educating food premises operators and residents about food safety; and investigating nuisances such as dumping of rubbish and other health risks.

The activity aims to protect public health through providing reports for the purposes of the Sale and Supply of Alcohol Act 2012 and licensing and monitoring for compliance with the licence conditions of that Act. This includes issuing on, off, club and special liquor licences and manager’s certificates. It also involves developing partnership strategies with the Police and the Taranaki District Health Board to reduce liquor abuse and promote host responsibility. We are also required to operate a District Licensing Committee to determine all new and renewal applications for licences and certificates. This may involve holding public hearings for opposed applications.

Under this activity we control and manage the number of Class IV gaming venues in our District. We also develop and administer the gambling policies for Class IV Venues (gaming machine venues) and Board Venues (TABs).

Looking Ahead

The demand for the Environmental Health service will continue to increase, as setting up Food Control Plans and the auditing process are more involved and time consuming than the previous inspection process.

We have become an approved agency for auditing National Programme businesses (for example early childhood education centres and dairies).

Future Projects

Meeting the accreditation requirements of a Food Verification Agency will be a focus over the term of this plan.

Significant Negative Impacts

There are no significant negative effects from the delivery of this activity.

Key Projects

Description	Year	Total (\$)
Signage – Licensing	Years 1 and 8	\$51k

ANIMAL SERVICES AND NUISANCE CONTROL / RATONGA KARAREHE ME NGĀ WHAKARATA PŌREAREA



What we do

Animal Services involves requiring all dogs to be registered; responding to and investigating complaints of dogs roaming, barking or attacking; making special provision for dangerous and menacing dogs; educating owners to be more aware of their responsibilities so that their dogs do not cause a nuisance or injury to people, stock, domestic animals or protected wildlife, and responding to and investigating complaints of wandering stock.

We own and operate a pound in Hāwera and management strategies for this asset are contained in the Pound Asset Management Plan.

This 24 hour, seven days a week service includes responding to and investigating noise complaints, the issuing of Excessive Noise Direction Notices, Abatement Notices and Infringements, and the seizure of the noise generating equipment when excessive noise is detected.

Looking Ahead

As a result of ongoing changes to animal welfare standards, the current dog pound is no longer fit for purpose and needs to be upgraded to better meet the needs of the service. The upgrade would provide a safer, more comfortable facility for both animals and staff.

Allied Security currently oversees the after-hours service for both Animal Services and Noise complaints. Bringing the after-hour service in-house will be more beneficial for staff as well as the community.

Significant Negative Impacts

There are no significant negative effects from the delivery of this activity.

Key Projects

Description	Year	Total (\$)
Pound – fencing, building renewals and fridge/freezer	Years 2, 5, 6, 7 and 10	\$143k

PARKING CONTROL / KAIWHAKARATA ŪNGA WAKA



Key Projects

Description	Year	Total (\$)
Electronic Parking Tickets	Years 3, 6 and 9	\$20k

What we do

This 30 hour, five days per week service involves patrolling the central business districts of Hāwera and surrounding townships, responding to parking complaints, education and the issuing of warning notices and infringement notices. The main purpose is to ensure there are enough parking spaces available to meet demand.

Looking Ahead

The demand for this service is likely to increase, especially with the re-development of the Hāwera Town Centre. This will contribute to the economic development of our businesses.

Significant Negative Impacts

There are no significant negative effects from the delivery of this activity.

REGULATORY SERVICES NON-FINANCIAL PERFORMANCE MEASURES add te reo translation

Building Control

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/2022	Target 2022/2023	Target 2023/2024	Target Years 4 - 10
Building consents are processed efficiently.	(T) % of building consent applications are processed within the statutory timeframe of 20 working days.	100%	100%	100%	100%
Customers receive industry recognised quality service.	(T) % of building inspections are carried out within 2 working days of request.	95%	≥ 95%	≥ 95%	≥ 95%
The Council retains authority to issue building consents.	(T) Accreditation as a Building Consent Authority is retained.	Retained	Retained	Retained	Retained

Planning

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/2022	Target 2022/2023	Target 2023/2024	Target Years 4 - 10
Consents for subdivision and development are processed in a timely manner.	(T) % of resource consent applications processed within statutory timeframes.	100%	100%	100%	100%
Consent compliance is monitored by the Council.	(T) Consents are monitored by their due date.	85%	≥ 90%	≥ 90%	≥ 90%

Environmental Health - Licensing – Food, Alcohol and Gambling

REGULATORY SERVICES NON-FINANCIAL PERFORMANCE MEASURES add te reo translation

Environmental Health - Licensing – Food, Alcohol and Gambling

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
New food premises can open to the public quickly and existing food premises can continue to trade.	(T) % of New Premises Applications and Renewal Premises Applications processed within 10 working days.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Food premises are hygienic and food sold to the public is safe to eat.	(T) % of licensed premises that are audited within 1 month of the due date.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Hairdressers, camping grounds/holiday parks, funeral homes & offensive trade premises are hygienically safe.	(T) % of licensed premises that are inspected annually.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Premises selling alcohol to the public are licensed and are running their business responsibly.	(T) % of licensed premises that are annually inspected.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Unopposed Liquor Licence Applications are processed promptly.	(T) % of unopposed Liquor Licence Applications processed within 10 working days of receipt of all reports.	≥ 95%	≥ 95%	≥ 95%	≥ 95%

REGULATORY SERVICES NON-FINANCIAL PERFORMANCE MEASURES add te reo translation

Animal Services and Nuisance Control

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Residents are satisfied with the Animal Control service.	(C) % of residents satisfied with the Animal Control service.	≥ 75%	≥ 75%	≥ 75%	≥ 75%
A prompt and reliable animal control service will be provided 24 hours a day, 7 days a week for wandering stock and serious dog incidents.	(T) % of reported serious dog or wandering stock incidents responded to within 4 hours.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
A reliable and responsive animal control service that investigates general dog incidents.	(T) % of reported general dog incidents responded to within 1 working day.	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Provide a prompt and reliable noise control service 24 hours a day, 7 days a week.	(T) % of noise complaints responded to within one hour.	≥ 90%	≥ 90%	≥ 90%	≥ 90%

Parking

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Parking is monitored within the Hāwera CBD and surrounding townships	(T) % of Parking infringements correctly issued.	95%	95%	95%	95%

COVER PAGE – ENVIRONMENTAL MANAGEMENT / TIAKI TAIAO?

ENVIRONMENT AND SUSTAINABILITY / TAIAO ME TE TOITŪ



Why we do it

To protect the environment and the people that live in it. We do this through the administration of a broad range of statutory functions. This activity leads our response to climate change, carbon zero, waste minimisation and maintains the District Plan and coordinates our responsibilities under the Civil Defence Emergency Management Act.

Environment and Sustainability

What we do

We manage the development of our Environment and Sustainability Strategy and this LTP will see the start of its implementation. The activities, actions and work programmes in the Strategy ensures that we address our communities' desire for improved environmentally sustainable outcomes; we remain compliant with new and developing legislative requirements; and take a consistent cross-organisational approach to embedding environmental sustainability initiatives across our activities.

Looking ahead

There is an increasing community demand and expectation of improved environmental outcomes across our District and Region. Alongside this community-level demand, there is a national push for more stringent environmental legislation to address the ongoing environmental degradation we are seeing.

As we consider how best to encourage an environmentally sustainable economic recovery for our District post-COVID-19, we also need to put a climate change and environmental sustainability lens across any measures we choose to implement.

Smart, targeted investment in low-emissions practices, technologies and infrastructure will create jobs and will ensure our communities are better off, both now and into the future. Increasing the sustainability of our projects and investment decisions will also reduce our future exposure to the physical, social and cultural impacts of climate change and increasing environmental degradation.

All new projects or asset and infrastructure development will require assessment against criteria in the Environment and Sustainability Strategy. Alongside this procurement and fleet policies will support low carbon purchasing and alternative or renewable energy options as a priority. We will continue to deliver a wide range of environmental sustainability initiatives and activities and provide a point of co-ordination for environmental sustainability advice and best-practice, over the term of this LTP.

Significant Negative Effects

Some environmental sustainability initiatives and projects may seem expensive and time consuming to some. However, not investing in improved environmental sustainability will lock in negative environmental and climate change impacts for future generations.

Key Projects

Description	Year	Total (\$)
Reforestation of Council land	Years 1 to 10	\$753k
Biodiversity Restoration	Years 1 to 10	\$364k
Biodiversity and Ecosystem Protection	Years 3 to 5	\$755k

ENVIRONMENTAL POLICY / KAUPAPA HERE TAIAO



What we do

Environmental Policy involves promoting sustainable management of the environment through the District Plan. The District Plan controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected for the benefit of the whole community.

Looking ahead

There is a level of uncertainty on whether the Resource Management Act will be amended further or replaced by other legislation. The LTP is based on the assumption that the District Plan will have legal status for at least the first three years of the LTP, and will most likely form the basis for any new instrument that may take the District Plan's place.

Significant Negative Effects

District Plans are expensive to review and maintain. Further investment will be minimised if significant legislative change is imminent.

EMERGENCY MANAGEMENT / HAUMARU OHOTATA



What we do

This activity ensures that the Council and our residents are prepared to respond to, and recover from, a major natural hazard or emergency event. Part of our role involves ensuring we have the resources and information required to help the community respond to, and recover from, a natural disaster or emergency event. This activity includes our work with the Taranaki Civil Defence and Emergency Management Group, under the Civil Defence Emergency Management Act 2002

Looking ahead

There are increasing risks of climate change impacts for South Taranaki during the life of the LTP. We will work to help the community understand and plan for the impacts by identifying places, assets and communities that are likely to be threatened by these impacts.

Pandemic response and recovery remains the focus, but keeping the District ready to respond to other types of civil defence emergencies is a top priority. The COVID-19 pandemic has emphasised the need to be prepared to deal with a natural hazard emergency and a pandemic at the same time.

Significant Negative Effects

Some civil defence community resilience and preparedness practices may seem expensive and time consuming. Emergency management response and recovery activities may have a temporary adverse effect on community and environmental wellbeing while social systems and infrastructure are being rebuilt following an emergency event.

If our ability to function is severely disrupted during a disaster, we will be unable to provide essential services to the community. A disaster event needing emergency works that we cannot afford to fund within our current budget has the potential to affect our financial position, although this depends on the scale, duration and location of the event. Alongside the Council, Central Government also has a role in disaster recovery and restoration works after natural disasters have happened.

ENVIRONMENTAL MANAGEMENT NON-FINANCIAL PERFORMANCE MEASURES

Environment and Sustainability

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2022/23	Target Years 4 - 10
Reduction in our organisational emissions.	(T) % decrease in organizational emissions year on year.	10% decrease in emissions from baseline	10% decrease in emissions from baseline	10% decrease in emissions from baseline	10% decrease in emissions from baseline
Damage to our natural environments is prevented or mitigated.	(T) No unapproved nett loss of indigenous vegetation across the District.	0% loss	0% loss	0% loss	0% loss

Environmental Policy

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
Growth and development is planned while our natural and physical resources are managed in a sustainable manner.	(T) The Plan Changes and Variations to the District Plan are undertaken in accordance with legislative timeframes.	Achieved	Achieved	Achieved	Achieved

Emergency Management

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 - 10
The Council is ready to respond to a Civil Defence Emergency and is able to function for as long as required during an emergency.	(T) Council staff are trained to the appropriate level for Civil Defence Emergency Responses, as agreed to by the Civil Defence and Emergency Management Group.	> 50% of staff trained	> 50% of staff trained	> 50% of staff trained	> 50% of staff trained

COVER PAGE – COASTAL STRUCTURES
NGĀ MOMO HANGA KI TAI

COASTAL STRUCTURES – add Te Reo Translation



Why we do it

The South Taranaki District has a beautiful marine and river environment and this activity ensures people can access our beaches and lakes and boat users can access the water. To maintain these facilities we need to protect erosion prone areas close to existing infrastructure, so while this activity is not mandatory, we need to ensure compliance with our resource consents. The maintenance and provision of coastal structures enables us to preserve the environment for future generations.

What we do

We provide access paths and steps to the sea and a number of boat ramps to allow recreational craft to access water bodies. This activity provides coastal protection in the form of revetments in a number of places and maintains a number of significant structures in the Pātea estuary, such as the moles

– concrete and stone walls that guide the Pātea River out to sea and limit erosion of land containing strategically important national railway and gas transmission infrastructure.

Looking Ahead

The effects of climate change on our coastal structures will be addressed through the Environmental and Sustainability Strategy.

The Pātea moles were designed to allow coastal shipping to access the old freezing works wharf, and access to the sea from Pātea is now only for recreational craft and the Coast Guard. Maintaining the more than 100-year old moles to their original service standard will be a large and on-going financial commitment.

Key Projects

Description	Year	Total (\$)
Pātea Moles renewals	Year 4	\$520k
Coastal Structures – seawall renewals; beach access improvements and stabilisation	Years 1 to 10	\$547k

Significant Negative Effects

Coastal Structures have minimal negative effects on the environment. The majority of coastal structures are seawalls and their presence can cause an “end effect” when a seawall acts like a groyne, in that there may be some gradual accumulation of sand on the updrift side but more often erosion or beach displacement on the downdrift side of the direction of wave approach.

NON FINANCIAL PERFORMANCE MEASURES

Level of Service	Performance Measure <i>C=customer measure</i> <i>T=technical measure</i>	Target 2021/22	Target 2022/23	Target 2023/24	Target Years 4 to 10
Comply with the Taranaki Regional Council Resource Consent conditions for coastal structures.	(T) Number of unresolved breaches.	≤ 1	≤ 1	≤ 1	≤ 1

COVER PAGE – CORPORATE ACTIVITIES
NGĀ MAHINGA MATAKITE Ā ROHE

ACTIVITIES IN THIS GROUP INCLUDE: AUDIT AND RISK / CONTACT CENTRE / COMMUNICATIONS / FINANCE / CORPORATE PROPERTY / INFORMATION SERVICES / PEOPLE AND CAPABILITY

CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE



Why we do it

The Corporate Services activity is about the 'internal activities' that support the delivery of our projects, plans and programmes, focused on delivering effective and efficient services for the organisation and the community. Corporate services activities helps us to bring the community together by keeping people informed and connected.

AUDIT AND RISK

What we do

Audit and Risk provides independent assurance and advisory services and is responsible for risk management, maintaining the Council's risk register and undertaking internal audits and reviews to ensure we are meeting our legislative obligations. The Audit and Risk Committee oversees and monitors the functions of the Audit and Risk activity and verifies that we have the correct checks and balances in place.

Looking ahead

Audit and Risk is a growing activity, with increasing legislative obligations and best practice requirements that help to ensure we are operating in a way that recognises and avoids, remedies or mitigates risks.

Significant Negative Effects

There are no significant negative risks associated with this activity. Not undertaking risk management is likely to expose the Council to a range of risks, including fraud, theft and legal action.

CONTACT CENTRE

What we do

Contact Centre staff handle all of your requests for services. They manage bookings for parks, halls and sports grounds, process payments and are usually the first point of contact for our services. We realise our customer's needs are varied and continually changing, and we are focused on growing our online services so our customers can gain access to our services in ways that are convenient for them.

Looking ahead

The Digital Transformation Strategy and the Customer Experience Strategy provide a plan for us to continuously improve our services over the next three years, with better online systems and a cross-Council approach to customer experience. This includes looking at how we can better process your requests for service and how we get back to you when we have addressed your query. The Digital Transformation Strategy will also help us to ensure we can operate from anywhere, so that, for example, if the Council building is closed, we are still able to hear from you and process your requests.

Significant Negative Effects

There are no significant negative effects from this activity.

COMMUNICATIONS

What we do

Our Communications team writes and distributes information to the public through a range of communication channels including media releases, newsletters, website, social media, Antenna app, radio, public presentations and SouthLink, a weekly news page in the District's free community newspaper (The Taranaki Star). Our job is to make sure you know what we are doing and how you can interact with us on key issues.

Looking ahead

We recently upgraded our website to be more user friendly. Stage two of the website upgrade will build online services to make your interactions with us smoother and easier. Stage three will focus on developing personal logins so you can access all your Council information, easily and securely.

Significant Negative Effects

There are no significant negative effects from this activity.

CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

FINANCE

What we do

This activity provides financial, rating and treasury support to all Council teams. Finance is largely driven by the legislation that requires us to deliver Annual Reports, Annual Plans and Long Term Plans. Finance is responsible for monitoring and reporting on our financial performance, budgeting, paying creditors, managing debtors, payroll, charging and collecting rates and answering rates queries. The Finance activity looks after our Long Term Investment Fund, with the assistance of professional fund managers. This team works across the organisation to ensure we can appropriately fund our key projects, programmes and services.

Looking ahead

Our digital finance system is long overdue for replacement. The new finance system will improve productivity and allow us to work faster and smarter. This project is aligned with our Digital Transformation Strategy.

Significant Negative Effects

There are no significant negative effects from this activity.

CORPORATE PROPERTY

What we do

The Corporate Property activity manages our sundry property portfolio, including all Council owned properties that are not directly used for public facilities, including the Hāwera Cinema. The team administers approximately 550 properties and around 100 of these are leased or licensed. We review leases as they expire and ensure properties are correctly valued and returning an appropriate rental. We also hold around 50 leases or agreements with sporting groups and other not-for-profit organisations that own facilities on Council land. We work closely with the environment and sustainability team to ensure we are working towards a sustainable portfolio.

Looking ahead

We are developing a property management strategy (including acquisition, retention and disposals policy) that will assist us to understand the types of properties we own and why we own them. This will allow us to make decisions regarding any property that is surplus to Council and community requirements.

We are completing the detailed assessments of our buildings for earthquake risk and scheduling remedial work to ensure the sustainability of the buildings and services.

Over the next five years we will identify appropriate land for permanent native forest carbon sinks and esplanade planting to make sure we aim for a best practice ecological approach to land management. We will also aim to maximise the income from our rental properties.

Significant Negative Effects

The potential negative effects of Council property management include the environmental effects of construction and maintenance, personal health and safety if buildings are not properly maintained or contain asbestos or are earthquake-prone, and we have strategies for minimising these effects as much as possible.

Key Projects

Description	Year	Total (\$)
Hāwera Administration Building Renewals	Years 1 to 10	\$544k
Earthquake-prone Building Remedial Projects	Years 1 and 2	\$1.36m
District Wide – Sundry Property Fencing	Years 1 to 10	\$58k
Sundry Property Projects	Years 1 to 4	\$341k

CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

INFORMATION SERVICES

What we do

This activity delivers information services to internal and external customers and includes information technology, information management through records and archives, business analysis and intelligence services, and geographic information systems. The activity takes care of our data, information and knowledge assets to ensure information is securely managed for current and future generations, as well as meeting our legislative obligations to keep and provide information. We ensure staff and elected members are connected and able to work online.

Looking ahead

Our Digital Transformation Strategy provides a roadmap for transforming the way we do business – improving productivity and efficiency and the way you can interact with us. This forward-looking project goes across every part of the organisation to update our processes and will be actioned over the first five years of this LTP.

Significant Negative Effects

There are no significant negative effects from this activity.

Key Projects

Description	Year	Total (\$)
Digital Transformation Project	Years 1 to 5	\$3.25m
Information Management – Digitisation and Scanning projects	Years 1 to 3	\$320k

PEOPLE AND CAPABILITY

What we do

Our aim is to attract, retain, motivate and reward high calibre employees, to assist in the delivery of our goals and values. We are responsible for recruitment, induction, employment relations, organisational development, performance management, health and safety, training and remuneration. This activity has a high level of legislative compliance to ensure we meet our obligations regarding employment, payroll, human rights and health and safety. The Audit and Risk Committee receives regular health and safety reports.

Significant Negative Effects

There are no significant negative effects from this activity.

SECTION 3: DECISION MAKING PROCESS
TUKANGA WAKATAUNGA WHAKAARO

SIGNIFICANCE AND ENGAGEMENT POLICY

Executive Summary

The South Taranaki District Council (the Council) is responsible for making decisions on behalf of its communities. The Council engages with its communities every day and in different ways. This can range from simple messages to keep an individual or group informed, or it can be a reciprocal (two-way) process where the Council asks the community for their viewpoint. This information is used to inform the decisions that the Council makes.

This policy provides guidance to the community about when they can expect to be informed about a proposal, or be asked for their view on an issue, to feed into the decision making process.

Purpose

This policy establishes an approach for determining the significance of Council decisions; and sets out when and how the Council will engage with communities in its decision making, relative to the significance of the decision.

*We want to:
have the right conversations - with the right
people - about the right issues -*

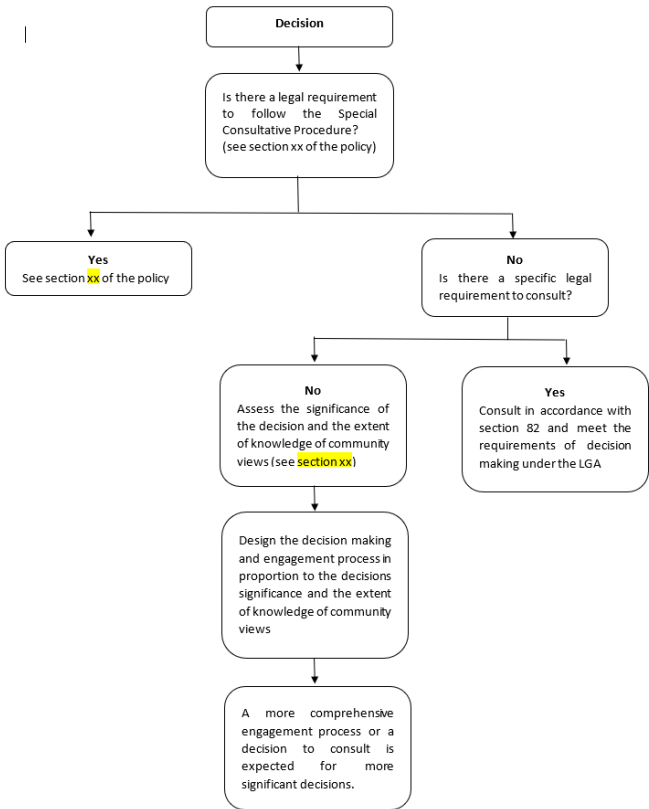
Objectives

The objectives of this policy are:

- a) To enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- b) To let communities know how and when they can expect to be engaged in the Council's decision making processes.
- c) To inform the Council from the beginning of a decision making process about the extent, form and type of engagement required.
- d) To ensure that the Council meets all legislative requirements for consultation and community engagement, including the requirements of section 76AA of the LGA 2002.

Policy

1. Process overview diagram



TE HĪHIRA ME TE WHAKAPĀNGA KAUPAPA HERE

2. Determining Significance

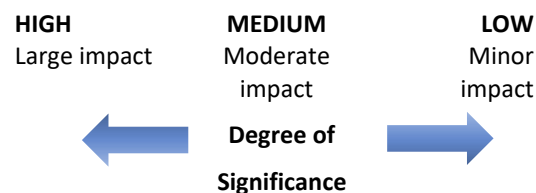
The Council first needs to consider the level of significance in relation to the proposal, asset, decision or activity.

The following sections provide the step by step process for how the Council determines significance.

2.1 Assessment

For each decision an assessment will be undertaken by the report writing officer using the following thresholds and criteria, to determine significance:

2.1.1 Degree of significance



2.1.2 Criteria to determine significance

Council officers will need to think about the following five criteria, and make a recommendation about the decision's significance to the elected members. The final decision about the significance of any matter rests with elected members.

Criteria	Measure
Degree	The number of residents and ratepayers affected and the degree to which they are affected by the decision or proposal.
LOS	The achievement of, or ability to achieve, the Council's stated levels of service as set out in the Long Term Plan.
Decision	Whether this type of decision, proposal or issue has a history of generating wide public interest within South Taranaki.
Financial	The impact of the decision or proposal on the Council's overall budget or included in an approved Long Term Plan and its ability to carry out its existing or proposed functions and activities now and in the future.
Reversible	The degree to which the decision or proposal is reversible.
Environment	The degree of impact the decision will have on the environment.

2.2 Strategic Assets

Under section 5 and 76AA (3) of the LGA 2002, this policy lists assets or groups of assets which are considered strategically important to the Council; to achieve and promote the current and future well-being of the South Taranaki community:

- All roading networks;
- All solid waste networks (excluding buildings);
- All stormwater networks (excluding buildings);
- All wastewater networks (excluding buildings);
- All water networks (excluding buildings); and
- Housing for the elderly.

Note:

Where a strategic asset is a network, or has many components, decisions can be made on individual components within the network without being regarded as significant, unless that component substantially affects the level of service provided to the community.

Decisions can be made to physically alter strategic assets to prevent an immediate hazardous situation arising; or repair an asset due to damage from an emergency or unforeseen situation. Any decision relating to the sale or transfer or sale of shareholding of any of the above mentioned assets, is a significant matter and will trigger the Special Consultative Procedure (SCP).

See also section 3.6 (Determining when not to engage).

SIGNIFICANCE AND ENGAGEMENT POLICY

2.3 Requirements for reports:

2.3.1 Every agenda item requiring a decision of the Council, will require the report writer to consider significance and engagement, as defined within this policy.

2.3.2 Each decision will be considered on a case by case basis to determine significance.

2.3.3 The consideration, disclosure and engagement will be proportional to the significance of the decision.

3. Engagement

After assessing the level of significance, the Council decides on the level of engagement required.

3.1 Principles of engagement

- **Genuine** – we will engage honestly, and we will respect and listen to the views provided by the community with an open mind, and will give due consideration to them when making decisions.

- **Timely** – we will engage with the community as early as practical. We will allow time for participants to contribute, and for them to be able to raise points on the issue.
- **Purposeful** – we will be clear about the purpose of the engagement and the ability and scope of the engagement to influence decision.
- **Inclusive and accessible** – we will engage in a way which encourages participation of all who are likely to be affected by, or are interested in, a decision.
- **Recognition of diversity** - we will endeavour to use engagement methods which are appropriate to the issue and those we are seeking to engage, having regard to their culture, age, and ability.
- **Informed** – we will provide clear, easy to understand and objective information relating to the engagement, and ensure it is readily available so that participants can make informed contributions.

3.2 Determine level of engagement

The Council has identified four levels of engagement that it may use to convey information to the community on decisions that it makes.

Engagement assessment levels

Level	Goal
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
Consult	To obtain public feedback on analysis, alternatives and/or decisions.
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
Collaborate	To partner with the public in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.

TE HĪHIRA ME TE WHAKAPĀNGA KAUPAPA HERE

3.3 How the council will engage

3.3.1 We will communicate across multiple channels to reach ratepayers and residents. This could include, but is not limited to:

- Council’s website
- Sent with rates notices - *Southlink Extra*
- Local newspapers (*Southlink* and public notification)
- Email
- Social media
- Antenno
- Face to face meetings / events
- Online surveys
- Other means of communication on a case by case basis

3.3.2 For any engagement above level “Inform”, an officer must complete a communications plan and or engagement plan. See link here:

[insert communications plan and engagement plan link here – internal only]

3.4 Providing information

Depending on the level of engagement (when we will consult, involve or collaborate), the Council will generally provide information on:

- What is proposed?
- Why?
- What options are available?

- Our preferred option, and why (when it’s appropriate to state this)?
- Costs and rating impact (if applicable).
- How the community can have its say?
- The timeframe and the process.
- How we will communicate the outcome.

Note: there are times when engagement will mean that not all of the information listed above can be provided (depending on the level of engagement that the Council has decided to use).

3.5 Engagement with Māori

The LGA 2002 provides principles and requirements that are intended to facilitate participation of Māori in the local decision making processes.

The goal for Council is for greater engagement with Māori, which includes strengthened and ongoing partnerships. The Council’s aim is to receive advice, appropriate information and understanding from Iwi groups, about the potential implications and/or effects of proposals on tangata whenua values.

The Council outlines its engagement with Māori in the Building Māori Capacity Policy.

3.6 Determining when not to engage

There are times when the Council will not consult with the community, because the issue is routine, or operational, we must meet certain standards, or because there is an emergency. The Council also wants to strike the right balance, and not “over-

consult” with the community – getting consultation fatigue, which could result in the community tuning out of conversations with us.

We want to:
concentrate on having the right conversations - on the issues that are genuinely significant to the South Taranaki community.

Here are some examples of things that we won’t be asking about:

- Organisational decisions (ie. staff changes and operational matters) that do not reduce a level of service
- Emergency management activities during a state of emergency – Civil Defence Emergency Management Act 2002.
- Decisions taken to manage an urgent issue, or
- Decision to act where it is necessary to:
 - Comply with the law;
 - Save or protect life, health or amenity;
 - Prevent serious damage to property;
 - Avoid, remedy or mitigate an adverse effect on the environment;
 - Protect the integrity of existing and future infrastructure and amenity.

SIGNIFICANCE AND ENGAGEMENT POLICY

- Decisions that are commercially sensitive (eg. awarding contracts).
- Any decisions that are made by delegation/sub delegation to officers.
- Entry or exit from a development agreement (private contract) as per section 207A Local Government Act 2002.
- Decisions in relation to regulatory and enforcement activities
- When we are not required to consult, by law, we can consider making a decision without consultation on a case by case basis.

4. Formal Consultation

4.1 Special Consultative Procedure

Some legislation specifically requires the Council to use the Special Consultative Procedure (SCP) to engage with the public. This is a very prescribed process, and the rules are outlined under section 83 of the LGA 20002. The SCP is the most common type of formal consultation that the Council may undertake. This process is required for some plans and processes, including but not limited to, adopting or amending a Long Term Plan or bylaw.

The SCP process requires the Council to prepare a statement of proposal and make it publicly available. The Council is required to collect feedback from the public (in the form of a submission) for a minimum

of one month, and allow each submitter the opportunity to present their views at a hearing.

If the SCP is required, the Council must use the process described in the LGA 2002, and is not required to undertake assessment using sections 2-3 of this policy.

4.2 Hearings and Feedback

- Hearings are held at the Council Chambers, Albion Street, Hāwera – unless otherwise designated.
- The Council can provide submitters with the opportunity to give their feedback using audio link, or audio-visual link.
- The Council (if asked to), can facilitate interpretation – including Te Reo Māori and New Zealand sign language.
- The Council will acknowledge the receipt of any submission, and notify the decision either via email or by letter.
- The Council will make all decisions available on the Council website.
- The Council provides free internet access, and terminals at every LibraryPlus within the District.

5. Definitions

The Council is the South Taranaki District Council (elected members and/or officers).

6. Review of Policy

The Significance and Engagement Policy will be reviewed every three years, as part of the Long Term Plan process, to ensure that the policy reflects the way in which the Council engages with its communities.

TE HĪHIRA ME TE WHAKAPĀNGA KAUPAPA HERE

Assessment Matrix

	Criteria	Explanation		Assessment rating (number)
2.2	1. Strategic asset?	Yes	Is it a strategic asset where levels of service are impacted?	Yes (3) No (0)
		No		(0)
Determining Significance (section 2.1.2)	2. Number of people affected?	LOW Less than 100		(1)
		MEDIUM Less than 500 but more than 100		(2)
		HIGH Greater than 500		(3)
	3. Degree of impact on people affected	Criteria 3-9 require qualitative assessment. Remember: <ul style="list-style-type: none"> • Front page newspaper test • Impact on individuals and groups • Potential benefit vs. risks • Financial cost of the outcome • Potential precedent set • Related to land or water? • Assessed against environmental sustainability and climate change criteria? • Of political interest N/A (0), L (1), M (2), H (3)		
	4. Impact on levels of service			
	5. Level of potential community interest			
	6. Cost of proposal			
	7. Is the decision reversible? Yes (0), No (2)			
8. Degree of impact on the Environment				
3.5	9. Impact on Māori			
Total	Low / Medium / High (circle one)			
Level of significance	LOW	Score of 10 or less		
	MEDIUM	Score between 11 - 19		
	HIGH	Score of 20 or above		

SIGNIFICANCE AND ENGAGEMENT POLICY

Once the level of significance has been calculated from the matrix above, this relates to the type of engagement level to be used, as noted in the table below:

Level of significance	Engagement level
LOW	Consultation may not be required, or level inform only (case-by-case basis)
MEDIUM	<u>Must</u> use one of the engagement types:
HIGH	Inform, Consult, Involve or Collaborate

TE HĪHIRA ME TE WHAKAPĀNGA KAUPAPA HERE

Determining Significance guidance

Criteria	Measure	High	Medium	Low
Degree	The number of residents and ratepayers affected and the degree to which they are affected by the decision or proposal.	Impacts a large proportion of the community. <i>(e.g. change in rubbish collection)</i>	Impacts a subgroup or groups within the community <i>(e.g. creation of neighbourhood playground)</i>	Impacts an individual person or household. <i>(e.g. removal of one light on the roadside outside a house)</i>
LOS	The achievement of, or ability to achieve, the Council's stated levels of service as set out in the Long-Term Plan 2018-2028.	Ceasing or commencing a service.	A more than nominal alteration of a service.	A nominal or no alteration of a service
Decision	Whether this type of decision, proposal or issue has a history of generating wide public interest within South Taranaki.	High degree <i>(e.g. town centre redevelopment)</i>	Moderate degree <i>(e.g. disposal of surplus land/building)</i>	Low degree <i>(e.g. putting in a new bus stop)</i>
Financial	The impact of the decision or proposal on the Council's overall budget or included in an approved Long Term Plan and its ability to carry out its existing or proposed functions and activities now and in the future.	Unbudgeted operating costs greater than 10% of total expenses in the financial year of the decision. And/or Unbudgeted capital costs greater than 1% of total assets in the financial year of the decision.	Unbudgeted operating costs greater than 5% (but less than 10%) of total expenses in the financial year of the decision. And/or Unbudgeted capital costs greater than 0.5% (but less than 1%) of total assets in the financial year of the decision.	Unbudgeted operating costs less than 5% of total expenses in the financial year of the decision. And/or Unbudgeted capital costs less than 0.5% of total assets in the financial year of the decision.
Reversible	The degree to which the decision or proposal is reversible.	Highly difficult <i>(e.g. constructing a purpose built building)</i>	Moderately difficult <i>(e.g. adoption of a bylaw)</i>	Low difficulty <i>(e.g. minor amendment to a policy)</i>
Environment	The degree of impact the decision will have on the environment	Significant impact on the environment <i>(e.g.</i>	Has some impacts on the environment. <i>(e.g.</i>	Has little or no impact on the environment <i>(e.g.</i>

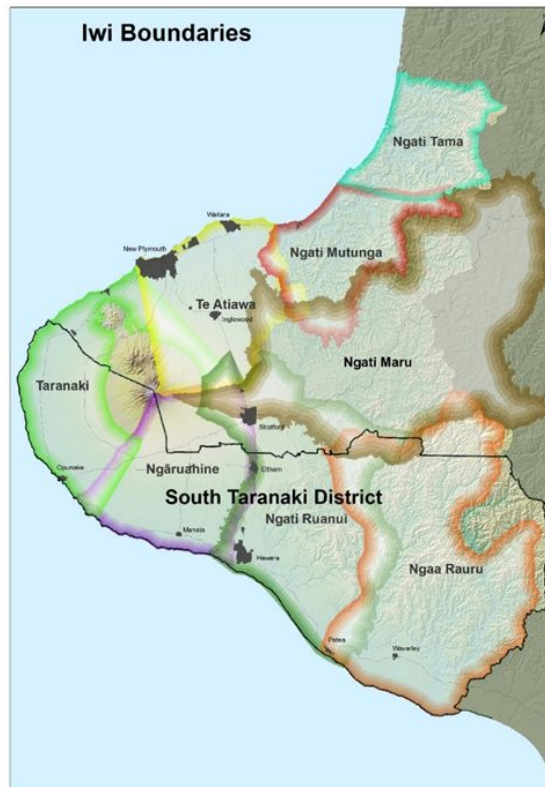
BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING POLICY

Whakarāpopoto Kāhui Kahika – Executive Summary

We are committed to upholding the mana of Māori by building strong relationships with Iwi and providing opportunities for Māori to contribute effectively and actively in decision-making processes that will affect the wider community.

Iwi

There are four recognised Iwi in South Taranaki – Taranaki, Ngāruahine, Ngāti Ruanui and Ngāa Rauru Kīitahi. Their rohe are shown on the map.



Ngā Kawenga Kaunihera – Council’s Role And Responsibility

To build and maintain opportunities for Māori to contribute to decision-making processes within the South Taranaki District.

To consider ways in which we will develop this process in the future.

Te Koronga ā Te Kaupapa Here – Purpose of the Policy

To provide opportunities for Māori to contribute to the Council’s decision-making. The Council and Iwi will work collaboratively together to meet the needs of Māori, by developing strong relationships and decision-making partnerships including co-governance opportunities where these are identified by Iwi and/or the Council. The Council will actively promote te reo Māori and ensure Māori representation on Committees and decision-making groups including the development of a Bi-lingual Policy.

BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING POLICY

Ngā Whaingā Paetae – Objectives

- To have direct appointments of Māori delegates to Committees and Portfolio Groups that allow Māori to have a voice in Committee decisions.
- To identify and investigate co-governance opportunities and relationships with Iwi.
- To employ a Pouherenga-a-Iwi / Iwi Liaison Advisor who will assist the liaison between Iwi and the Council.
- To implement the Te Reo Māori Policy that ensures the Council acknowledges and promotes the use of te reo Māori in everyday use throughout the organisation.
- To introduce a Bi-lingual Policy.
- To provide Te Reo Māori and Cultural workshops for all Councillors about the local rohe and the importance of Iwi engagement with the Council.
- To actively promote and participate in Māori activities within the District.
- To develop Mana Whakahono-ā-Rohe Agreements with local Iwi.
- To have quarterly Iwi forums to present and discuss upcoming activities of importance to Iwi.

- To work with Iwi on developing Council policy, strategies and statutory plans.
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community.

Kaupapa Here – Policy

The Policy will look at building capacity for Māori to contribute to decision-making with the introduction of the following policies and initiatives:

1. Herenga Tūturu – Direct Appointments

- 1.1 Appointment of Māori representatives to Committees and Portfolio Groups. For example, Audit and Risk Committee, Environment and Hearings Committee, Policy and Strategy Committee and the Community Services and Infrastructure Services Portfolio Groups.

2. Pouherenga-ā-Iwi – Appoint an Iwi Liaison Advisor

- 2.1 Provide direction, advice and support to the Council, Chief Executive and staff on issues of significance to Iwi/Māori.
- 2.2 Develop and maintain good relationships with Iwi/hapū.
- 2.3 Provide advice and support for the development of Council policy and strategic partnerships with Iwi/hapū.
- 2.4 Encourage Iwi/hapū participation by providing a point of contact, support and advice for the Iwi Liaison Committee members.

3. Iwi-Council Partnership Strategy and Iwi Partnership Agreements

- 3.1 The four Iwi and the Council have agreed to develop an Iwi-Council Partnership Strategy and an agreement with each Iwi. The intention is to have the Strategy in place by the time the Council's 2021-2031 Long Term Plan takes effect and will identify and investigate co-governance opportunities and relationships with Iwi.

BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING POLICY

- | | | |
|---|---|--|
| <p>4. Te Kaupapa Here o Te Reo Māori – Te Reo Māori Policy</p> <p>4.1 The introduction of a Te Reo Māori Policy to encourage and promote te reo Māori within the Council organisation and over time the District. The use of te reo Māori within Council owned buildings. To promote active use of te reo Māori in conversations and acknowledgements.</p> | <p>6.2 To encourage the Council to actively participate in Iwi-led activities. To promote positive relationships at Iwi events and give support.</p> <p>7. Awheawhe-a-Iwi Kaikaunihera – Elected Members’ Cultural Workshop</p> <p>7.1 Hold a workshop to provide elected members with a basic and informative introduction to working and engaging with Iwi in a positive environment. A workshop will be held on an annual basis and will focus on assisting elected members with pronunciation, local history, Iwi information and tikanga.</p> | <p>9. Hui Tōpū-a-Māramarua – Biannual Iwi Forums</p> <p>9.1 Meet biannually with Iwi leaders for the discussion and recommendation of current issues pertinent to Māori, for example, the Iwi Chairs Forum. Presentation at Rūnanga hui by the Pouherenga-a-Iwi/Iwi Liaison Advisor on current Council activities that involve or affect Iwi.</p> <p>9.2 Parihaka 18th and 19th Forum – the Pouherenga-a-Iwi/Iwi Liaison Advisor will attend biannually to give feedback and information on Council activities relevant to Taranaki Iwi.</p> <p>9.3 Kaumatua Kaunihera Hui – the Pouherenga-a-Iwi/Iwi Liaison Advisor will deliver information to Kaumatua on current Council activities that affect Iwi, for example, Kaumatua Kaunihera o Ngāruahine.</p> |
| <p>5. Te Tohu Reorua – Bi-Lingual Signs</p> <p>5.1 The development of bilingual signage around the community and the Council organisation to promote and encourage use of the language in South Taranaki.</p> <p>5.2 This will be a long-term programme that will involve utilising Kaumatua and language experts of Taranaki to provide appropriate signage for the Iwi location.</p> <p>5.3 Replacement of old signs with new bilingual signs.</p> | <p>8. Mana Whakahono-Ā-Rohe</p> <p>8.1 To develop Mana Whakahono-ā-Rohe (MWR) agreements with local Iwi under the Resource Management Act 1991.</p> | |
| <p>6. Mahi-a-Iwi – Active Participation In Māori Events</p> <p>6.1 Assist Iwi activities with Council support by providing advice and/or resources.</p> | | |

BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING POLICY

10. Pari Karangaranga – Iwi Communications

10.1 The Council will continue with quarterly Huinga-ā-Iwi where Council activities and matters of interest to the Council and Iwi are discussed in an informal setting.

Kupu Whakamārama – Definitions

Council means the South Taranaki District Council.

Mana Whakahono-ā-Rohe is an amendment under the Resource Management Act for an Iwi Participation Agreement.

Mata Whakapānga – Contacts

Taranaki Iwi
<https://taranaki.iwi.nz/>

Te Korowai o Ngāruahine
<https://ngaruahine.iwi.nz/>

Ngāti Ruanui Taranaki
<https://www.ruanui.co.nz/>

Te Kaahui o Ngaa Rauru
<http://www.rauru.iwi.nz/>

Te Kaunihera o Taranaki ki te Tonga / South
Taranaki District Council
<https://www.southtaranaki.com/>

06 278 0555 or 0800 111 323

Aromatawai a Te Kaupapa Here – Review of Policy

This Policy shall be reviewed every three years as part of the Long Term Plan to ensure the Policy is effective and efficient in achieving the long-term goals in conjunction with the Iwi Liaison Committee.

ASSUMPTIONS AND DATA

Population and Growth **check to reo translation**

Population

What we think will happen



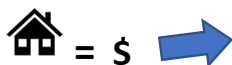
Pre COVID-19 we were expecting a modest growth of 0.3% per year across the District. However, it is now anticipated that there will be minimal or no growth for the next three years. Most of our rural areas are likely to experience a small decrease while modest growth is predicted for Hāwera and its environs. South Taranaki's population is ageing, although not enough for us to change our current levels of service.

Level of Risk and Uncertainty – Low – GRAPHIC HERE

RISK – There is a risk that the population increases more than projected or declines, which means we would then need to review our growth-related projects and work programmes. We consider this to be likely as there is some evidence of growth in the residential area, based on the number of building and planning consent applications including subdivisions we have received. The National Policy Statement on Urban Development 2020 identifies New Plymouth as a tier 2 urban environment which, in effect, identifies it as a growth area and we expect there will be some corresponding development spill-over to the Stratford and South Taranaki Districts.

Change in number of rating units

What we think will happen



Based on the growth projections indicated for South Taranaki we do not anticipate a sharp increase in the rating base.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If there is an increase ahead of the projections, we may not have infrastructure in place to meet this growth. We consider this to be likely as there is some evidence of growth in the residential area, given the number of building and planning consent applications including subdivisions we have received.

We are addressing this by identifying areas of growth, such as the northern and western structure plans in Hāwera.

Economic growth – South Taranaki

What we think will happen



Based on the data available to us, it is anticipated that there will be a decrease in economic growth of up to 8.5% during the first two years of the LTP. It is unknown how long it will take for the economy to recover from the COVID-19 pandemic, although BERL notes that, historically, the economy takes ten years to recover from a financial crisis.

We are looking at ways to increase economic growth and we are part of the Taranaki Region's economic strategy, Tapuae Roa: Make way for Taranaki.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a risk that the economy will take longer to recover, potentially delaying some projects. Provided that we remain within Level 1 this is unlikely as we are already seeing some evidence of economic recovery.

Land use and development

What we think will happen



Demand for residential, commercial and industrial sections is expected to be mainly focussed around the Hāwera and Normanby areas. The current supply of consented subdivision lots is expected to meet demand for several years at current rates of development. An expected increase in demand for water and wastewater services in Hāwera's new residential areas has been planned for through our Infrastructure Strategy.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK - If there is an increase beyond our projections, we may not have infrastructure in place to meet this growth or support new commercial or industrial facilities. This is unlikely as work has commenced on supporting the area identified for the South Taranaki Business Park.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

Technological changes – how we work

What we think will happen



What could happen



We expect continued technology changes and we are developing a Digital Strategy to meet these changes.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK - We are mindful that radical changes in technology developments could affect the way in which society operates, works, accesses information and services. It is possible that there maybe some technology advancements that we are unable to keep up with.

ASSUMPTIONS AND DATA

Environment and Sustainability check te reo translation

Climate Change

What we think will happen

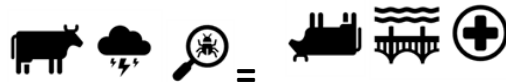


We anticipate that over the life of the LTP there will be an increase in droughts, extreme rain and wind events and changing weather patterns. Climate change is likely to affect most Council activities over the medium to long term. Our asset management planning includes climate change impacts.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a risk that there will be more frequent and severe weather events than anticipated which will put extra pressure on our built and natural environments, assets and infrastructure. We maintain and update our Business Continuity Plans and we have performance measures to monitor our preparedness for a civil defence emergency event.

Natural and biological disasters/pandemics



= \$

We are part of the Taranaki Emergency Management Office and plans are in place to manage natural or biological disasters or a pandemic event. As we are prepared to establish the Emergency Operations Centre in Hāwera and activate our Business Continuity Plans, in the event of a biological or pandemic event we expect to be able to deliver essential services to the community. We assume there will not be a new widespread outbreak of COVID-19 that takes New Zealand back into higher alert levels.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a possibility that our ability to respond is severely disrupted during a disaster or an event.

Sea level rise

What we think will happen What could happen



While we expect sea levels will continue to rise at a rate of approximately 3mm per year, a rise dramatically beyond expectations could have impacts on our coastal communities and infrastructure.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a possibility that sea level rise will accelerate beyond 3mm and potentially to 10mm.

Energy

What we think will happen



What could happen



We expect energy costs will increase in line with inflation.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a risk that there will be large increases in energy costs, particularly transport-related, which could result in changes to living, working and recreation patterns.

Waste minimisation levy

What we think will happen



We anticipate that there will be substantial increases in Waste Minimisation Levies in the next five to ten years.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a possibility that Waste Minimisation Levies will increase beyond anticipated levels and severely increase the costs associated with recycling.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

Legislative Requirements **check te reo translation**

Legislative changes

What we think will happen



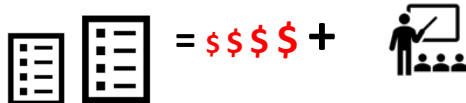
There are indications from central Government that we will continue to see legislative changes occurring, with some impacts on the delivery of core services and budgets.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a risk that major unexpected changes to legislation will affect how we operate, what we do and who pays. There is a possibility that this will occur and could have an effect on budgets.

Climate Change Response Act 2002 amendments National Policy Statement for Indigenous Biodiversity (NPSIB)

What we think will happen



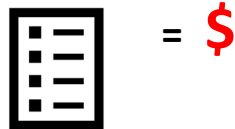
We anticipate further amendments to the Climate Change Response Act 2002 and the introduction of the NPSIB will have direct impacts on our costs and operations.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a risk that additional amendments could be introduced that could affect our costs and our ability to deliver services. We consider this is a possibility over the life of this Plan.

Resource consents held by the Council

What we think will happen



The Taranaki Regional Council has indicated that there will be an increase in consent conditions with more stringent environmental requirements. This is likely to occur during drier months when water consumption is at its peak, potentially raising the need for water restrictions.

Level of Risk and Uncertainty – High GRAPHIC HERE

RISK – If resource consent conditions escalate more than anticipated it is likely that this will result in increased costs and/or breaches of resource consent conditions.

Building Act 2004 Subpart 6A – earthquake-prone buildings

What we think will happen What could happen



We expect to continue to administer the Building Act 2004 Subpart 6A and fulfil our obligations as a building owner and territorial authority. Council buildings considered to be the most important for public safety are being strengthened, but we may not be able to meet our obligations if sufficient funding is not available. We are reviewing our assistance to private building owners.

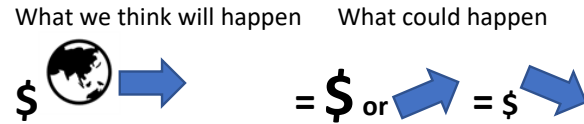
Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If insufficient budgets are allocated there is a risk that we will not be able to meet our legislative requirements. Due to the number of buildings that require assessments across the country it may become difficult to engage qualified assessors.

ASSUMPTIONS AND DATA

Financial / Ahumoni

Global economy

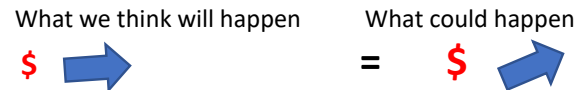


Despite recent events we do not expect the global economic climate to change greatly during the life of this Plan. We will continue to monitor international and national developments and can respond by changing priorities through the Annual Plan.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – A risk remains for a global economic crisis to occur as a result of COVID-19. If there is a global economic crisis this could have a major impact on the people of South Taranaki.

Inflation

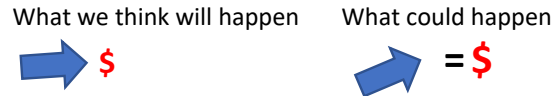


We have predicted modest inflation over the life of this Plan, based on the latest BERL estimates which are included further on page 179.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – It is possible that inflation will not match our estimates which could result in unbudgeted costs.

Interest rates on loans (External Borrowings)

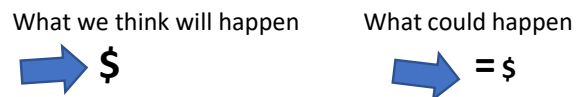


The forecast interest rates on loans are expected to be between 2.58% to 3.23% based on discussions with PriceWaterhouseCoopers.

Level of Risk and Uncertainty – Medium graphic here

RISK – It is possible that interest rates on loans may increase more than forecasted or budgeted. The Council currently has \$112m of external borrowing. The Council maintains its fixed and floating rate ratio as per the Liability Management Policy. The external debt is projected to be at \$159m by 2027/28. For every increase in interest rate of 0.25% total rates will have to increase by a maximum of 0.66% on \$112m debt and by 0.71% on \$159m debt. However, the impact will be reduced depending on the actual fixed and floating percentage of actual debt.

Interest rates on investments

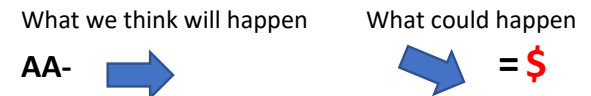


The forecast interest rates on investments are expected to be between 1% to 3.23% based on current and projected interest rates.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – It is possible that interest rates on investments are lower than forecasted or budgeted. A 1% interest rate in return on investments will result in about \$60,000 additional income for the year.

Credit rating



It is anticipated that our credit rating will remain at AA-. However as a result of COVID-19 and potential increase in treatment standards for three waters we may need to increase our debt levels. If our debt levels increase beyond previously projected levels, Standard & Poors may downgrade our credit rating.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – If our credit rating is downgraded our borrowing costs will increase.

COVID-19 Impact and Recovery

What we think will happen



Based on statistics provided by Venture Taranaki, South Taranaki experienced a decline in spending and an increase in un-employment as a result of the COVID-19 lockdown. To support South Taranaki ratepayers and residents through the recovery of COVID-19 the Council adopted a zero rate increase for the 2021/21 Annual Plan. Central Government also provided funding for “shovel ready” projects to assist in the recovery.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

There is now evidence that South Taranaki’s economy has recovered. However Infometrics anticipate a potential drop for rural communities once the delivery of shovel ready projects have been completed.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – If South Taranaki’s economy is severely affected as a result of COVID-19 this could have an impact on our income.

Valuations and depreciation

What we think will happen



The forecast valuations and depreciation are thought to be correct.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK - Inaccurate calculations could have an impact on our budgets, resulting in insufficient funds to replace strategic assets. If our infrastructure is compromised this may lead to breaches of resource consent conditions and failure to meet legislative standards.

Currency movements and asset values



Some of our infrastructural capital projects have components sourced directly from overseas and currency movements could increase our costs and/or affect our ability to complete programmed works within budget. Our inflation adjustments cater for currency movements and the impact on related asset values will not be material.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – There is a risk that the exchange rate will change adversely and this risk has increased due to the uncertainty and impact of COVID-19.

Depreciation

likely



Depreciation is driven by Asset Management Plans and through the useful life of assets and depreciation costs depend on the projects completed. Our current depreciation totals \$20.79m per annum. If depreciation increases, we will have more funded depreciation as a result and can use it to pay for capital expenditure.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – If depreciation calculations are significantly different from the amount budgeted then rates will need to be increased. A 5% increase in depreciation will have a maximum impact of approximately 3% on District Rates, a maximum of \$13 for targeted water rates, \$0.02-\$0.06 per cubic metre on various water schemes. A 5% increase in depreciation will have a maximum impact of \$11 per annum on wastewater charges.

Long Term Investment Fund **check to reo translation**

Long Term Investment Fund

What we think will happen



The forecasted return on the Long Term Investment Fund is expected to be between \$9 million to \$10.9 million (Average rate of return between 6.1% to 6.8%). This is based on our Statement of Investment Policy Objectives (SIPO) together with our strategic Asset Allocation / Benchmark portfolio. We need to achieve a minimum return of \$6.5m annually to meet our subsidy obligation, on average over the ten-year period.

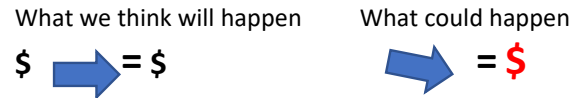
Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK - Lower than forecasted returns will mean we will receive less income than budgeted. The impact of 1% reduction in return in Year 1 of the Long Term Plan would reduce income by \$1,354,000, for year 5 it would be \$1,763,000 and year 10 it would be \$2,528,000.

ASSUMPTIONS AND DATA

Funding / Pūtea Tautoko

NZTA subsidy

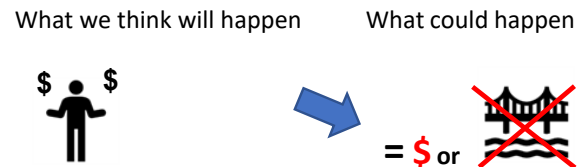


During the COVID-19 pandemic Waka Kotahi New Zealand Transport Authority's income decreased dramatically and therefore it is possible that the subsidies provided by WKNZTA may decrease although we have been advised that our subsidy will increase from 58% to 63% by 1 July 2021, however this has yet to be confirmed.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK - If the funding decreases substantially or ends our budgets would be greatly affected. Given the uncertain economic environment as a result of COVID-19 we believe our overall funding from NZTA may decrease over the life of this Plan.

Project funding from other sources



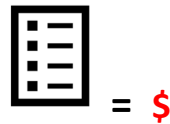
It is anticipated that external funding sources will remain available to us. South Taranaki was successful in securing \$15.4 million (\$10.4 million for Council projects) of funding via the Provincial Growth Fund.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK - If there is less or no external funding available our costs would increase and/or major projects may be put on hold or cancelled.

Local Government Funding Agency (LGFA) guarantee

What we think will happen



It is likely that the Local Government Funding Agency will continue to be a funding source and the Agency will remain solvent.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a minor risk that the LGFA defaults and will be unable to support us. We believe this to be unlikely.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

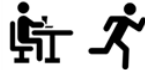
Community / Hapori

Relationships with external bodies

What we think will happen



What could happen



We have good working relationships with external bodies including Iwi, the Regional Council and other Government departments. We will continue to build on these relationships and identify areas where they can be developed further.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If there is a lack of desire for collaboration or co-operation this may result in a loss of efficiency savings and/or the loss of important partners.

Community support

What we think will happen



What could happen



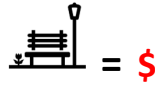
We expect the community will continue to support the Council and the projects committed through the Plan.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If there is loss of support from the community the benefits created from the completion of projects will be minimal or projects may need to be cancelled

Levels of service – community expectations

What we think will happen



What could happen



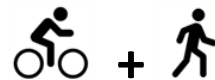
Good two-way communication with our communities ensures that expectations are realistic and achievable. We carry out periodic service delivery reviews and acknowledge that the community may expect higher levels of service that we cannot meet without increasing rates.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a risk that the community will expect higher levels of service without an increase in cost.

Recreation – changing trends

What we think will happen



Feedback received from the community has shown a growing demand for more walkways, cycleways and combined community facilities.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – We expect the above trend will continue; however, it is likely that there will be a decrease in club sports and demand for the facilities associated with these sports.

ASSUMPTIONS AND DATA

Three Waters / Ngā Waitoru

Three Waters

What we think will happen



What could happen



This Plan continues to focus on projects and maintenance associated with three waters and in the short term we will continue to deliver these activities.

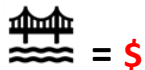
Level of Risk and Uncertainty – High GRAPHIC HERE

RISK – With the Government’s focus on the three waters reform it is possible in the long term that local authorities will no longer be responsible for these activities. If three waters is removed from local authorities.

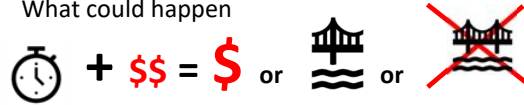
Infrastructure Projects and Maintenance / Ngā Kaupapa me ngā Atawhai o te Hanganga ā-Roto

Major capital projects

What we think will happen



What could happen



Given the additional funding provided through the Provincial Growth Fund and funding for three waters, we are already experiencing some issues with contractor and resource availability. We anticipate that major capital projects may be delayed as a result of contractor and resource availability. Projects are identified and planned utilising the best information available; however, from time to time unforeseen circumstances can affect the timing or costs associated with major capital projects.

Level of Risk and Uncertainty – High GRAPHIC HERE

RISK – Delays in delivering projects are likely to result in higher costs, delivery delays, carryovers on the capital works programme and an increase in reactive maintenance and operating costs. The delayed capital expenditure does have an impact on borrowings costs and original costs of the project. Every \$1m delayed will have an impact between \$17k- \$35k reduction in borrowings costs for the year. The capital expenditure may increase by the inflation index resulting in increased borrowing costs of borrowing. Every 1% increase in increase \$1m project will have an impact of \$170 to \$350 per annum on borrowing costs.

Maintenance contractors

What we think will happen



What could happen



We expect contractors will be available to continue to undertake maintenance for the Council.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK - A shortage of contractors could affect our levels of service or increase our maintenance costs.

Useful asset life



The useful asset life reflects the best estimate available based on the forecast date and current asset information held. A revaluation was undertaken in June 2020 where our infrastructural assets were assessed and valued, and the results are reflected in this Plan.

Level of Risk and Uncertainty – Medium GRAPHIC HERE

RISK – If the useful asset life information is incomplete or inaccurate there would be an impact on our future depreciation calculations and renewals expenditure. As a result rates maybe either set too high or too low.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

Life-cycle of significant assets



A revaluation was undertaken in June 2020 where our infrastructural assets were assessed and valued. Our significant assets have been assessed against the International Infrastructure Management Manual (IIMM) framework where we determined that for the majority of our assets our overall confidence in condition is high or medium.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – There is a risk that the assessment may not match the actual condition of our strategic assets. Failure of strategic infrastructure would result in the need to undertake unbudgeted replacement or maintenance.

Funding replacement assets



Funds need to be available for the replacement of strategic assets across the District. Asset replacements are funded through a variety of sources, which is detailed in the Revenue and Financing Policy.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If the Council decides to change the Policy on how to fund assets it will have an impact on rates. There is also a risk that funding for the replacement of strategic assets is not available.

Revaluation of non-current (fixed) assets

likely



Forecast valuations of fixed assets are based on BERL indicators and are considered to be correct.

Level of Risk and Uncertainty – Low GRAPHIC HERE

RISK – If there is a large difference between how much we forecast the assets to be worth and the actual value of the assets then there will be an impact on the Council's budgets and rates.

ASSUMPTIONS AND DATA

OTHER RELEVANT FORECASTING INFORMATION

In addition to the significant forecasting assumptions outlined above, the Council makes a number of other judgements and estimates in preparing the Long Term Plan. This section details other relevant forecasting information.

THE BELOW BERL ADJUSTORS HAVE BEEN USED FOR REVALUATION PROJECTION

Year ending	Roading %	Water / Wastewater / Stormwater %	
Jun-22	5.1	1.4	5.3
Jun-23	9.4	4.8	8.3
Jun-24	13.6	7.0	10.9
Jun-25	17.9	9.5	13.7
Jun-26	22.3	12.3	16.6
Jun-27	27.0	14.9	19.8
Jun-28	31.7	18.4	23.2
Jun-29	36.7	22.2	26.8
Jun-30	41.9	26.3	30.7
Jun-31	47.3	29.7	34.9

INFLATION FACTORS

Adjuster Class	Factor Years 1-3	Factor Years 4-10	Reason
Roading	BERL	BERL	BERL Adjustors are widely used in the Local Government sector as they are deemed to be more relevant and applicable.
Water and Environment	BERL	BERL	BERL Adjustors are widely used in the Local Government sector as they are deemed to be more relevant and applicable.
Salaries*	BERL	BERL	BERL Adjustors are widely used in the Local Government sector as they are deemed to be more relevant and applicable.
Community Activities	BERL	BERL	BERL Adjustors are widely used in the Local Government sector as they are deemed to be more relevant and applicable.
Planning and Regulations	BERL	BERL	BERL Adjustors are widely used in the Local Government sector as they are deemed to be more relevant and applicable.

*The Inflation factors for Salaries is based on discussions with Strategic Pay, HR Manager and Senior Leadership Team (2.3% per annum)

Year ending	Roading	Planning and Regulation	Water	Salaries	Community Activities
Jun-22	3.3	2.7	6.0	2.3	3.2
Jun-23	6.5	5.3	9.7	4.7	6.0
Jun-24	9.7	7.7	12.6	7.1	8.6
Jun-25	12.9	10.1	15.6	9.5	11.2
Jun-26	16.2	12.5	19.0	12.0	14.0
Jun-27	19.5	15.0	22.3	14.6	16.8
Jun-28	23.0	17.5	26.2	17.3	19.7
Jun-29	26.6	20.1	30.4	20.0	22.8
Jun-30	30.2	22.7	34.8	22.7	26.0
Jun-31	34.0	25.4	39.0	25.5	29.0

NGĀ WHAKAPAE ME NGĀ RARAUNGA

Balanced Budget Requirement

Section 100 of the Local Government Act 2002 (LGA) requires local authorities to set each year's operating revenue at a level sufficient to meet its operating expenditure for that year. This is known as the balanced budget requirement.

However, the LGA provides local authorities with discretion to vary its operating revenues where it resolves that it is financially prudent to do so. In reaching this decision a local authority must have regard to:

- “(a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under Section 102.”

The overarching principles for application of the balanced budget requirement are contained in the Council's Revenue and Financing Policy. The financial impact of these principles is detailed in both the

Funding Impact Statement and within the Significant Forecasting Assumptions. In accordance with Section 100 of the LGA the Council has resolved that it is financially prudent to depart from the balanced budget requirement in the following circumstances:

Non-funding of depreciation on Council assets

In accordance with Section 100 of the Local Government Act 2002 the Council has satisfied itself that it is not financially prudent to fund all/part of the depreciation expenditure on its non-strategic assets. The Council is funding part of the depreciation that will enable components of the assets to be replaced to ensure the useful life of the asset's structure can be achieved. A decision on the total replacement of the asset will be made at the time the asset's useful life has expired.

All strategic assets will have depreciation fully funded with the exception of some assets associated with the Pope Water Supply (as it is planned to amalgamate the Scheme and these assets will not require replacement) and all the Council assets associated with the Nukumarū Water Supply (at the request of the Nukumarū Consumers Committee). While the Plan has assumed the following projects will result in capital assets: water quality investigations, inflow and infiltration investigations, condition reviews, network modelling, the Plan does not provide for the depreciation to be funded as it is not certain that an asset will be created nor is there certainty over the life of those assets created. Once the assets are created from these projects then the depreciation will be addressed at that point.

Asset sales

No asset sales are planned in the Long Term Plan.

Drawdown from LTIF earnings for rates subsidy

A drawdown of \$3.87 million for the general and roading rate subsidy has been factored into each year of the ten year projections. This amount will be reviewed every three years during the Long Term Plan review.

Drawdown from LTIF earnings for capital projects loan repayments

A drawdown of \$1.73 million to fund selective community projects (eg TSB Hub's loan repayments) has been factored into each year of the ten year projections. This amount will be reviewed every three years during the Long Term Plan review.

Drawdown from LTIF earnings for Hāwera Town Centre Development (including Council's Earthquake Prone Buildings, Initial Seismic Assessments and Council's Assistance Package)

A drawdown of \$860k per annum on average to fund the above projects (loan funded) has been factored into each year of the ten year projections.

Drawdown from LTIF Inflation Fluctuation Reserves (IFR) for Town Centre Development (including additional funding for the Hāwera Town centre Project)

A drawdown of \$15 million over ten years to fund the above projects has been factored into each year of the ten year projections.

ASSUMPTIONS AND DATA

Disclosures

Prospective financial information

The prospective financial information contained in this Long Term Plan is based on assumptions that the Council reasonably expects to occur. However, readers should be aware that actual results are likely to vary from the information presented and these variations may be material, especially for the years 2020/21 and onwards.

Differences between prospective financial information explanations

Under accounting standard FRS42 we are required to explain the relationship between the prospective financial statements and the additional information provided in the activity statements.

The revenue on the income statement reflects the totals from the activity statements together with the subsidy from the Long Term Investment Fund and general rates allocated to and fees of the support centres. The income and expenditure of support centres (interest costs, depreciation and overheads not recovered) which have not been allocated to other activities is included directly in the financial statements. The total income for the Council reflects the impact of the rates subsidy, commissions from Taranaki Regional Council, petrol tax, rates penalties and general interest which is not reflected in any individual activity statement.

The cash flow statement reflects movements in expected debtor and creditor balances ie amounts being paid/received from previous years and

amounts that will be paid/received in future years, whilst the Income Statement reflects income and expenditure on an accruals basis. The Funding Impact Statement reflects the impact of the subsidy and fees used to reduce the rating requirement. This is not split on the activity statements. The funding impact statement also incorporates the allocation of the rate subsidy and fees between UAGC, general and roading rate.

Effect of Council's Rate Remission Policy

The Council's implementation of its Rate Remission Policy is estimated at \$204,000 per annum and is recovered from the general rate.

Nukumarū

The Nukumarū Water Supply is a non-potable supply that is being managed by the consumers. In recent years the consumers have constructed a bore and hold its resource consent, therefore there is a mix of ownership of the assets. The consumers arrange the maintenance and the charging of the water by meter rate. Renewals of the assets owned by the Council are not planned within this Long Term Plan, as requested by the Nukumarū consumers committee.

Asset information

Asset Management Plans (AMPs) have been developed for activities which use physical assets in the delivery of services. The AMPs, which are the focus for running these activities, have been used in the preparation of financial forecasts used in this Plan. The AMPs contain improvement plans detailing how the plans will be developed further. They are

dynamic documents and will be updated as required by the asset managers with a formal review every three years.

FINANCIAL REPORTING STANDARD 42: PROSPECTIVE FINANCIAL STATEMENTS (FRS 42 DISCLOSURES)

The Council has complied with FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided.

(i) Description of the nature of the entity's current operation and its principal activities

The Council is a Territorial Local Authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this proposed LTP.

(ii) Purpose for which the Prospective Financial Statements are prepared

It is a requirement of the Local Government Act 2002 to present Prospective Financial Statements that span ten years and include them within the proposed LTP. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective Financial Statements are revised annually to reflect updated assumptions and costs.

NGĀ WHAKAPAE ME NGĀ RARAUNGA

(iii) Base for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as to future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the Prospective Financial Statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the LTP.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material. No actual events and transactions have been reflected in the prospective financial statements.

AUDIT REPORT

To come from Vipul

PĀRONGO AROTAKE

To come from Vipul

COVER PAGE – SECTION 4: OUR COSTS
Ā MĀTOU UTUNGA

REVENUE AND FINANCING POLICY

Our Revenue and Financing Policy provides predictability and certainty about sources of funding or how we recover the costs for our activities. It explains the reasons for various funding methods for our operating and capital expenditure.

In 2020 we reviewed the way we funded our activities, including how we collect rates and as a result we are not proposing any significant changes to our Revenue and Financing Policy.

Revenue and Financing Policy Considerations

In developing the Policy, we have considered the requirements of Sections 101(3), 102 and 103 of the Local Government Act 2002 (LGA02). These requirements state that a local authority must determine what funding sources are appropriate with consideration of the following two steps:

Step One

- The community outcomes to which the activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community and/or individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences, for transparency and accountability, of funding an activity distinctly from other activities.

Step Two

- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

Community Outcomes

Central Government amended the purpose of local government and re-introduced the well-beings. The community outcomes tie in with the community well-beings:

- Vibrant South Taranaki – Cultural Well-being – A vibrant and creative District with strong connections with iwi/hapū that celebrates diversity.
- Together South Taranaki – Social Well-being – A together District with healthy, safe, resilient, informed and connected people.
- Prosperous South Taranaki – Economic Well-being – A prosperous District with a sustainable economy, innovative businesses and high quality infrastructure.
- Sustainable South Taranaki – Environmental Well-being – A sustainable District that measures its resources in a way that preserves the environment for future generations.

Each activity lists the community outcomes that it primarily contributes to and highlights why we undertake the activity.

Distribution of Benefits – Who Benefits?

The distribution of benefits is allocated between the community as a whole, any identifiable part of the community and individuals. Benefits that flow to individuals or groups, where it is possible to identify the user or group and stop the service if the user does not pay, are often described as ‘private benefits’ and the costs are generally funded on a user-pays basis. ‘Public benefits’ flow to the whole community when it is not possible to identify the individuals or groups that benefit and the cost of additional people benefiting is small, or the whole community benefits.

Time Period of the Benefits

We must assess the period over which the benefits flow from each activity. For all of our activities, the operating costs directly relate to the benefits an activity provides during the year of the expenditure. Operating costs are therefore funded annually from annual income including rates, user charges, subsidies and other income.

Capital expenditure creates assets that will produce benefits over their useful lives. These lives range from a few years for office equipment, computers and vehicles to 100 years for some infrastructural assets such as bridges and some pipe networks. The costs of these assets should therefore be funded over the time of benefit. This recognises the concept of intergenerational equity, where each generation pays a share of the value of the asset, while it receives the benefit from that asset.

KAUPAPA HERE MONI Ā – TAU ME TE PŪTEA

Intergenerational equity is particularly relevant for larger capital assets. Building financial reserves to fund the capital expenditure required to renew an existing asset is prudent and the interest earned on financial reserves helps to fund the asset replacement. If renewals or replacements occur before the reserve has enough funds, we will use loans to fund the shortfall.

Who Causes the Need for an Activity?

We are required to assess the extent to which each activity exists because of the actions or inactions of an individual or group. This principle, known as the ‘exacerbator pays’ or ‘polluter pays’, suggests that costs should be recovered directly from those causing the need for the activity. Examples are parking fines, food licences, pool safety, dog control and trade waste.

Costs and Benefits of Funding the Activity Distinctly from other Activities

We consider the individual costs and benefits of the funding of each activity, taking into account the consequences for transparency and accountability, of funding each activity. Distinct funding allows ratepayers to assess whether the activity represents good value to them. For some activities, the costs of collecting user charges would be more than the revenue collected, so a number of activities are funded entirely from rates.

Overall Impact on Social, Economic, Environmental and Cultural Well-beings

The overall impact on the current and future social, economic, environmental and cultural well-beings of the community were considered along with following matters;

- What is the likely impact of the mix of funding sources on ratepayers on fixed incomes (affordability)?
- Will the Policy act as a barrier for individuals in the community to access the activity?
- What incentives will the Policy have for growth and development within the District?
- How is the burden of funding distributed across different sectors of the community?
- Does the Policy support people to conserve scarce resources, avoid environmentally unfriendly activities and preserve our natural heritage?
- Does the Policy support the community to participate in recreational and cultural activities and preserve our historical and other cultural heritage?

As part of the 2021-2031 LTP we are consulting on the draft Environment and Sustainability Strategy as a number of actions and activities that form part of the Strategy are new and not previously funded. It is anticipated that these actions and activities will be funded through general rates, loans and funding from Central Government.

The Long Term Investment Fund rates subsidy is deducted from each activity’s expenditure prior to the allocation between funding sources. In that respect the Long Term Investment Fund is not considered general revenue.

Financial Management

In terms of the LGA02, we are required to ensure that each year’s projected operating revenues are set at a level that meets the year’s operating expenses (a balanced budget). Despite this requirement, under Section 100(2) of the Act, we can set projected operating revenues at a level that does not achieve a balanced budget if we believe it is financially prudent to do so, for example, to fund a previous or future year’s deficit or to repay debt.

Other Legal Requirements

While the Revenue and Financing Policy is governed by the LGA02, other legislation is relevant for determining appropriate funding mechanisms, including:

Local Government (Rating) Act 2002

This Act sets out legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kinds of rates may be set and how they are set, the valuation system that may be used and the various rating mechanisms available, such as targeted rates. It also sets a number of limits. For example, all rates set on a uniform fixed amount basis (including the Uniform Annual General Charge but excluding a uniform rate for water or wastewater) may not exceed 30% of the total rates revenue.

REVENUE AND FINANCING POLICY

Other Legislation

Several Acts, such as the Sale and Supply of Alcohol Act 2012, set out statutory fees for various types of regulatory services and these may not be exceeded. Where fee setting is up to the Council, there is often a general legal requirement to be “fair and reasonable”.

Resource Management Act 1991 (RMA)

This Act sets out our responsibilities in terms of the environment. The Resource Legislation Amendment Act 2017 proposed the removal of the ability for local authorities to impose financial contributions; however, in late 2020 this was repealed and authorities may continue to require financial contributions from developers to meet the costs of their effects on the environment, including their impacts on the demand for infrastructure. Alternatively, under the LGA02, local authorities can seek development contributions or a combination of development and financial contributions under the respective Acts (subject to compliance with both Act’s requirements). We currently take financial contributions, and are not considering development contributions for this LTP.

General Policies on Funding and Sources of Funding

The sources of funding available to the Council are:

General rates, including:

- Choice of valuation system
- Differential rating; and
- Uniform Annual General Charge
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Any other source

Funding of Operating Expenditure

Expenditure on our day-to-day operations is operating expenditure and includes overheads, which are costs not directly attributed to any of the activities, for example support services like Financial Services, Information Services and Human Resources. Operating expenditure is funded from a variety of sources:

General Rates

During our funding review we chose to continue with the capital value rating system for general rates, rather than land value and more targeted rates because of the capital value system’s greater tendency to match the ‘ability to pay’, – owners of higher capital value properties pay a larger contribution in rates than owners of lower valued properties.

Differentials are a tool for altering the incidence of rates. Setting a differential rate does not increase the rating income; it merely allocates the rates requirement in a different way from a pure value-based system. We are not proposing to apply a differential to the general rate.

Uniform Annual General Charge (UAGC)

We assess a UAGC as a fixed amount on each separately used or inhabited part of a rating unit.

Targeted Rates

Targeted rates can be assessed on property, including on the basis of use, the area of land, its location and value and the provision or availability of Council services. Targeted rates may be imposed as a uniform annual charge on capital or land value, or differentially for different types of property uses. We may also apply targeted rates to fund any part of the cost of activities that benefit identifiable groups in the District.

We will charge targeted rates for:

- Water
- Wastewater
- Roading
- Kerbside refuse collection services
- Eltham Drainage
- Hāwera Business Rate for town promotion

KAUPAPA HERE MONI Ā – TAU ME TE PŪTEA

Voluntary Targeted Rates

We have a voluntary targeted rate for property owners who benefit from the installation of insulation that we provide under the Warmer Homes Scheme.

Fees and Charges

We apply fees and charges to recover either the full or part cost of a variety of services we provide such as building consents, provision of utility connections and vehicle crossings.

Interest and Dividends

We sold Egmont Electricity Limited in 1997 and invested the proceeds in a Long Term Investment Fund. We allocate \$3.87 million each year from interest earned on the Fund towards subsidising general rates, UAGC and the roading rate.

Grants and Subsidies

We receive subsidies from the New Zealand Transport Agency that cover a proportion of the capital and maintenance costs of our roading network.

Any Other Source

Special funds have either been received from a third party to be used in a specific way (Restricted Funds) or are tagged to be applied for a specific purpose or area of benefit (Non Restricted Funds).

Funding of Capital Expenditure

We categorise our capital expenditure projects as renewals, extending level of service or growth-related projects.

Renewal Projects

Renewal projects restore or replace components of an asset or the entire asset to meet the current level of service (to its original size, condition or capacity). These projects will be funded from capital reserves built up from funded depreciation. Where the reserve is not sufficient to meet the programmed renewals, loans will be utilised and repaid from a contribution from the reserve that best fits intergenerational equity and/or the operational funding sources for the particular activity, as per the Policy.

Extending Level of Service Projects

Extending levels of service projects create new assets or alterations to existing assets that mean a higher level of service is delivered. These projects will be funded by loans and repaid from the operational funding sources.

Growth-related projects

Growth-related projects are additional assets required to serve growth in demand for existing services due to new areas being serviced, such as new water mains and roading. These will be funded from financial contributions and we will consider a contribution from the Economic Development Fund towards the asset creation on a case by case basis after considering specific criteria.

Sources of funding for Capital Expenditure

The following funding sources are used for each capital expenditure category under normal circumstances. Any alternative funding sources are specifically approved by the Council.

Borrowing

We will not borrow to fund capital expenditure unless short term reasons justify this as an interim solution. When funding projects by debt, we spread the repayment over several years to enable us to match charges placed on the community against the period of benefits from the capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While minimising interest costs and financial risks associated with borrowing is of primary importance, we match the borrowing term with the average life of assets when practical. Our overall borrowing requirement is reduced when other funds are available to finance capital expenditure, such as:

- Council financial reserves, including reserves comprising financial contributions
- Contributions towards capital expenditure from other parties such as the New Zealand Transport Agency (in relation to certain roading projects)
- Revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses

REVENUE AND FINANCING POLICY

Financial Contributions Under the Resource Management Act

Financial contributions are provided for in our District Plan and may be imposed as a condition of development or resource consent. Works and services may be required for purposes specified in the District Plan for ensuring positive effects on the environment. Development can place a significant strain on existing physical resources (utility networks, reserves and public amenities) and the Plan places a requirement for developers, in most cases, to meet the full and actual costs of extensions and connections to the existing reticulation network.

There is flexibility in the provision of reserve contributions to take into account variations from site to site, particularly the ability to connect to existing reserves or to create access to the margins of waterways and other natural areas. In urban residential subdivision there is also a threshold figure for the provision of land so that a realistic area can be provided. In lieu of land, cash can be provided for the enhancement of reserves in the vicinity.

We will collect financial contributions as provided for in the District Plan under the RMA.

Grants and Subsidies

We receive subsidies from the New Zealand Transport Agency that cover a proportion of the capital and maintenance costs of our roading network. We also receive grants and subsidies from Central Government and grants from external funding sources.

Any Other Source

Special funds have either been received from a third party to be used in a specific way (restricted funds) or are tagged to be applied for a specific purpose or area of benefit (non-restricted funds).

Assets

We own, on behalf of the community, assets worth about \$1.068 billion. The majority are required to deliver the services the community requires of us; for example, the pipes, pumps and monitoring equipment of our water supply network are essential to provide the community with the water supply service it needs and expects.

Our property portfolio has been categorised into:

- Vital to the provision of a Council service or function
- Advantageous to own; or
- Surplus to requirements.

We are actively identifying properties which no longer have any strategic purpose or public benefit or where the use of sale proceeds would be of greater benefit to the community.

Proceeds from asset sales will in the first instance go to repay debt that may be associated with the asset. If the asset is to be replaced with a similar asset or one built to provide for a similar purpose in the foreseeable future (1 - 2 years), or the sale proceeds will be held in trust to pay for the new asset's creation. Wherever the sale proceeds are greater than the known debt or the replacement cost of the 'like' asset, the proceeds will be made available to the Long Term Investment Fund.

Balanced Budget Proposal

Our policy for funding the depreciation of non-strategic assets is, rather than fund the depreciation for their replacement, we will fund a proportion that allows for the renewals of components. As an example, buildings will have roofs and other components replaced to ensure the full useful life of the structure can be achieved, but no funds will be built up to replace the structure. We consider it is not prudent to build up reserves (and increase rates from this generation) for the ultimate replacement of these assets, which for the most part will be in 30 - 50 years' time, when it is unknown if these types of assets will be wanted by future generations. We have taken into account the current global economic climate and our significant debt programme when considering the funding of depreciation.

REVENUE AND FINANCING POLICY

Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Funding Sources Private		Funding Sources Public		Benefit Proportions		
						Operational	Capital	Operational	Capital	Public %	Private %	
DEMOCRACY & LEADERSHIP												
Democracy and Leadership	Prosperous, Vibrant, Together & Sustainable	Low	Low	Low	Low	The public good component of this activity reflects that it contributes to the open, transparent and accountable democratic process of local government and supports elected members to be effective decision-makers.	N/A	N/A	General Rates and Revenue + Interest and Dividends + Reserves + Fees and Charges	General Rates and Revenue + Interest and Dividends + Borrowings + Reserves	High	Low
THREE WATERS – WATER SUPPLY												
Urban and Rural	Prosperous & Sustainable	High	High	Low to Medium	Low	The users can be identified and we are able to restrict the users.	Fees & Charges + Water by Meter Rate + Targeted Rate	Fees & Charges + Water by Meter Rate + Targeted Rate + Borrowings + Reserves + Financial Contributions	General Rates and Revenue + Interest and Dividends + Targeted Rates	General Rates and Revenue + Targeted Rates + Borrowings + Reserves	Low	High

REVENUE AND FINANCING POLICY

								Funding Sources Private		Funding Sources Public		Benefit Proportions	
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %		
STORMWATER NETWORK													
Stormwater	Prosperous & Sustainable	Low	High	Medium	Low	This activity benefits groups of properties rather than individuals. Stormwater infrastructure enhances the wellbeing of the District.	Fees & Charges + General Rates and Revenue	General Rates and Revenue	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	High	Low	
Eltham Drainage		High	High	Low	Low	The primary purpose of this activity is to provide land drainage to enable land to be effectively farmed.	Targeted Rates (Differential)	Targeted Rates (Differential) + Borrowings + Reserves + Contributions	Targeted Rates (Differential) + General Rates and Revenue	Targeted Rates (Differential) + Borrowings + Reserves + Contributions	Low	High	
WASTEWATER SERVICES													
Wastewater	Prosperous & Sustainable	High	High	Medium to High	Low	While we can identify properties that are connected, we cannot identify efficiently their volumes. There is high public good and positive impacts on the environment in the efficient disposal of waste.	Fees & Charges + Targeted Rate	Fees & Charges + Targeted Rate + Borrowings + Reserves + Financial Contributions + Contributions	General Rates and Revenue + Targeted Rates	General Rates and Revenue + Targeted Rates + Borrowings + Reserves	Low	High	

REVENUE AND FINANCING POLICY

							Funding Sources Private		Funding Sources Public		Benefit Proportions	
	Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %
SOLID WASTE												
Kerbside Collection		Very high	Low	Medium to High	Low	This activity benefits individuals but it is also in the public interest to provide this service.	Fees & Charges + Targeted Rates (Differential)	N/A	General Rates and Revenue + Targeted Rates	N/A	Low	High
Disposal	Prosperous & Sustainable	High	High	Medium	Medium	This activity benefits individuals but it is also a higher public interest to provide this service, as it contributes to long term sustainability.	Fees & Charges + General Rates and Revenue + Targeted Rates (Differential)	Fees & Charges + Targeted Rates (Differential) + Borrowings + Reserves + External Contributions	General Rates and Revenue + Targeted Rates	General Rates and Revenue + Targeted Rates + Borrowings + Reserves	Low	High
ROADING												
Subsidised	Prosperous & Vibrant	Medium to High	High	Low	High	Individuals benefit directly from the use of the service and the community benefits from the provision of the service.	Grants / Subsidies + Targeted Rates (Differential) + Fees & Charges + Financial Contributions + Other Contributions	Grants / Subsidies + Targeted Rates (Differential) + Fees & Charges + Financial Contributions + Other Contributions	Targeted Rates (Differential) + Investment Income + General Rates and Revenue + Reserves	General Rates and Revenue + Targeted Rates (Differential) + Borrowings + Reserves	High	High

REVENUE AND FINANCING POLICY

						Funding Sources Private		Funding Sources Public		Benefit Proportions		
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
ROADING												
Non-subsidised	Prosperous & Vibrant	Medium to High	High	Low	High	Individuals benefit directly from the use of the service and the community benefits from the provision of the service.	Targeted Rates (Differential) + Fees & Charges + Financial Contributions + Other Contributions	Targeted Rates (Differential) + Fees & Charges + Financial Contributions + Other Contributions	Targeted Rates (Differential) + General Rates and Revenue + Reserves	Targeted Rates (Differential) + General Rates and Revenue + Borrowings + Reserves	High	High
Regional Road Safety		Low	Low	High	Low	Road safety is predominantly for the greater public good. Training and events are provided and negative effects can result if these events are not attended by key audiences.	Fees & Charges + General Rates and Revenue	Fees & Charges + General Rates and Revenue	General Rates and Revenue	General Rates and Revenue	High	Low
COMMUNITY FACILITIES												
Parks, Reserves, Sportsgrounds and Public Spaces	Prosperous, Vibrant, Together & Sustainable	Low	High	Low to Medium	Low	Individuals have a private benefit from the availability of parks, reserves, sportsgrounds and public spaces, however there is a significant public benefit in the availability of these services.	Fees & Charges + General Rates and Revenue	General Rates and Revenue + Borrowings	General Rates + Revenue	General Rates and Revenue + Borrowings + Reserves	High	Low

REVENUE AND FINANCING POLICY

						Funding Sources Private		Funding Sources Public		Benefit Proportions		
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
COMMUNITY FACILITIES												
Recreation Centres - Halls	Prosperous, Vibrant, Together & Sustainable	Low	High	Low	Low	Individuals receive high benefit from the use of the service, however there are social benefits to the community in the availability of these facilities.	Fees & Charges + General Rates and Revenue	Grants + Surpluses from Rentals + Donations + Borrowings	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	High	Low
Recreation Centres - TSB Hub		Medium to High	Medium to High	Low	Low	Individuals receive high benefit from the provision of the service, however there are social and economic benefits to the community.	Fees & Charges + General Rates and Revenue + Grants and Sponsorship	Grants + Surpluses from Rentals + Donations + Borrowings	General Rates and Revenue + Grants	Borrowings + Reserves + Grants + Investment	High	Low
Swimming Pools - Aquatic Centre		High	High	Low	Low	Individuals receive high benefit from the use of the service, however there is a wider benefit to the community in the availability of this service for social purposes. The Aquatic Centre provides a higher level of service which is partly recovered by fees and charges.	Fees & Charges + General Rates and Revenue + Grants	Grants + Surpluses from Rentals + Donations + Borrowings	General Rates and Revenue + Interest	Borrowings + Reserves + Grants + Investment	High	Low

REVENUE AND FINANCING POLICY

							Funding Sources Private		Funding Sources Public		Benefit Proportions	
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
COMMUNITY FACILITIES												
Swimming Pools - Rural Pools	Prosperous, Vibrant, Together & Sustainable	Medium	Medium to High	Low	Low	Individuals receive benefit from the use of the service, however there is a wider benefit to the community in the availability of this service for recreational purposes.	General Rates and Revenue	Grants	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	High	Low
Public Toilets		Medium	High	Medium	Low	Individuals receive high benefit from the use of the service, however there is a wider benefit to the community in the availability of this service for sanitary reasons.	General Rates and Revenue	General Rates and Revenue + Borrowings	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	High	Low
Holiday Parks		High	Medium to High	Low	Low	Individuals receive high benefit from the provision of the service, however there are economic benefits to the community	Fees & Charges	Grants + Surpluses from Rentals	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	Low to Medium	Medium to High
Cemeteries		Medium	High	Medium	Low	Individuals receive high benefit from provision of the service, however there is a reserve function within this activity. There is a useful historic and public health value in the availability of this service.	Fees & Charges + Bequests	Fees & Charges + Borrowings + Financial Contributions + Bequests	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	Medium	Medium

REVENUE AND FINANCING POLICY

						Funding Sources Private		Funding Sources Public		Benefit Proportions		
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
COMMUNITY FACILITIES												
Housing for the Elderly	Prosperous, Vibrant, Together & Sustainable	High	High	Low	Low	Selected individuals receive the greatest benefit from this activity. There is a social benefit to the wider community from the provision of housing for older people.	Fees & Charges + General Rates and Revenue	Grants + Borrowings + Reserves + Asset Sales	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	Medium	Medium
Hāwera Cinemas		Very High	Low	Low	Low	Individuals receive high benefit from the provision of the service, however it contributes to the social and leisure fabric of the community.	Fees & Charges + General Rates and Revenue	Grants + Borrowings	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	Medium	Medium
Corporate Property		High	Medium-High	Medium	Medium	Individuals receive high benefit from the use of sundry Council properties. However this activity also manages a small number of properties used for community good by not-for-profit organisations.	Fees & Charges + General Rates and Revenue	General Rates and Revenue + Borrowing	General Rates and Revenue	General Rates and Revenue + Borrowings + Asset Sales + Reserves	Low	High

REVENUE AND FINANCING POLICY

	Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Funding Sources Private		Funding Sources Public		Benefit Proportions	
							Operational	Capital	Operational	Capital	Public %	Private %
ARTS & CULTURE												
Arts	Prosperous, Vibrant, Together & Sustainable	Low	Low	Low	Low	The community receives the benefit of this activity together with individuals who are able to enhance their skills through this process.	Fees & Charges + General Rates and Revenue	N/A	General Rates and Revenue	N/A	High	Low
Heritage (Museum)		Low to Medium	Low	Low	Low	There is benefit of education, retention of heritage and community identity. Individuals benefit from the displays and the information.	Fees & Charges + General Rates and Revenue + Grants	N/A	General Rates and Revenue	Borrowings + Reserves	High	Low
LibraryPlus		Low	High	Low to Medium	Low	Individuals receive high benefit from the use of this service, however there is a wider benefit to the community in the availability of this service for social purposes.	Fees & Charges + General Rates and Revenue	Grants + Bequests + Borrowings	General Rates and Revenue + Investment Income	Reserves + Borrowings + General Rates and Revenue	High	Low
DISTRICT ECONOMY												
Economic Development	Prosperous & Vibrant	Low to Medium	Low	Low	Low to Medium	Individuals benefit directly from the use of the service and the community indirectly benefits from this activity because of the positive economic impact.	Fees & Charges + Targeted Rates	N/A	General Rates and Revenue + Targeted Rates (Differential) + Reserves	Borrowings + Reserves	High	Low

REVENUE AND FINANCING POLICY

	Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Funding Sources Private		Funding Sources Public		Benefit Proportions	
							Operational	Capital	Operational	Capital	Public %	Private %
DISTRICT ECONOMY												
Tourism and Events		Low to Medium	Low	Low	Low	Individuals benefit directly from the use of the service and attending events. The community indirectly benefits from this activity because of the positive economic impact. The wider community benefits by the vibrancy events bring.	Fees & Charges + General Rates and Revenue	Borrowings	General Rates and Revenue + Reserves	General Rates and Revenue + Borrowings + Reserves	High	Low
COMMUNITY DEVELOPMENT												
Community Development		Low	Low	Medium	Low	The community receives the greatest benefit from the outcomes of this activity.	General Rates and Revenue	N/A	General Rates and Revenue	N/A	High	Low
Community Support	Vibrant, Together & Sustainable	Low	Low	Low	High	The public good component of this activity recognises the contribution made by organisations and groups within the community and offers a helping hand in appreciation of this voluntary contribution in the way of grants. The civil ceremonies and recognition awards contribute to the social and cultural well-being of the community.	N/A	N/A	General Rates and Revenue + Reserves	General Rates and Revenue + Borrowings + Reserves	High	Low

REVENUE AND FINANCING POLICY

							Funding Sources Private		Funding Sources Public		Benefit Proportions	
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
ENVIRONMENTAL MANAGEMENT												
Environment and Sustainability	Prosperous, Together & Sustainable	Low	Medium	Low	High	This activity is a high public good as it focuses on improving environmental sustainability across the District.	N/A	N/A	General Rates and Revenue	General Rates, Revenue and Grants	High	Low
Environmental Policy		Low	Low	Low to Medium	Low	This activity is a high public good because it sets the overall framework for development within the District.	Fees & Charges	N/A	General Rates and Revenue + Borrowings	N/A	High	Low
Emergency Management		Very Low	Low	Low to Medium	Low	This activity is about preparedness for a disaster and is a high public good.	N/A	N/A	General Rates and Revenue	N/A	High	Low
REGULATORY SERVICES												
Building Control	Prosperous & Sustainable	Medium to High	Low	Low to Medium	Low to Medium	There is a high level of private benefit to the applicant, but there are also some public benefits.	Fees & Charges	N/A	General Rates and Revenue	Borrowings + Reserves	Low	High
Planning		Medium to High	Low	High	Low	There is a high level of private benefit to the applicant, but there are also some public benefits.	Fees & Charges	N/A	General Rates and Revenue	Borrowings + Reserves	Medium to High	Low to Medium

REVENUE AND FINANCING POLICY

						Funding Sources Private		Funding Sources Public		Benefit Proportions		
Community Outcomes	User or beneficiary principle (Private benefit)	Intergenerational equity principle	Negative Effect/Exacerbator	Costs and benefits	Rationale	Operational	Capital	Operational	Capital	Public %	Private %	
REGULATORY SERVICES												
Environmental Health - Licensing, Alcohol and Gambling	Prosperous & Sustainable	Medium to High	Low	High	Medium to High	These activities have a high public good because of public protection.	Fees & Charges	N/A	General Rates and Revenue	N/A	Medium to High	Low to Medium
Nuisance Control (Noise)		Low	Low	High	High	This activity has a high public good because of public protection.	Fees & Charges	N/A	General Rates and Revenue	N/A	High	Low
Animal Services		Medium to High	Low to Medium	Very High	Medium	Within the activity there is a high degree of public benefit, but the costs are influenced by the exacerbator.	Fees & Charges	Fees & Charges + Borrowings + Reserves	General Rates and Revenue	General Rates and Revenue + Borrowings + Reserves	Low to Medium	Medium to High
Parking Control		Medium to High	Low	High	High	This activity has a high public good because by creating the availability of carparks. There are some benefits for retailers that exist within the CBDs.	Fees & Charges	N/A	General Rates and Revenue	Borrowings + Reserves	Low	High
COASTAL STRUCTURES												
Coastal Structures	Prosperous, Vibrant & Sustainable	Low	Low	Low	Low	Individuals receive high benefit from the provision of the service, however there are social benefits to the community.	General Rates and Revenue	Grants + Borrowings	General Rates and Revenue	General Rates and Revenue + Borrowings	High	Low

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – DEMOCRACY & LEADERSHIP / TE POU MANUKURA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	2,553	2,754	2,965	3,010	3,091	3,251	3,249	3,297	3,495	3,502	3,571
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	548	494	512	506	511	498	489	492	489	484	488
Total operating funding (A)	3,101	3,248	3,478	3,516	3,601	3,749	3,737	3,789	3,984	3,986	4,058
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,008	1,133	1,252	1,191	1,220	1,346	1,282	1,314	1,449	1,380	1,414
Finance costs	2	1	2	2	2	2	2	2	2	2	2
Internal charges and overheads applied	2,079	2,108	2,208	2,307	2,363	2,384	2,445	2,464	2,524	2,595	2,633
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,089	3,242	3,462	3,500	3,585	3,732	3,728	3,780	3,975	3,977	4,049
Surplus (deficit) of operation funding (A-B)	12	7	16	16	16	16	9	9	9	9	9
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-5	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	-5	0	0	0	0	0	0	0	0	0	0

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – DEMOCRACY & LEADERSHIP / TE POUMANUKURA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- To replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	7	7	16	16	16	16	9	9	9	9	9
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	7	7	16	16	16	16	9	9	9	9	9
Surplus (deficit) of capital funding (C-D)	-12	-7	-16	-16	-16	-16	-9	-9	-9	-9	-9
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	7	7	16	16	16	16	9	9	9	9	9

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – WATER SUPPLY / NGĀ PUNA WAI

For the year ended 30 June	Annual Plan 2020/21 (\$'000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	13,153	14,054	14,585	15,069	15,733	16,455	17,291	18,209	19,151	19,505	19,982
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	87	94	98	100	103	106	109	112	116	120	124
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	641	435	450	462	474	488	501	517	535	553	570
Total operating funding (A)	13,882	14,583	15,132	15,631	16,310	17,049	17,901	18,839	19,801	20,177	20,676
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,517	3,771	3,556	3,676	3,809	3,919	4,129	4,091	4,221	4,356	4,550
Finance costs	2,060	1,725	1,564	1,741	1,595	1,559	1,461	1,417	1,439	1,334	1,282
Internal charges and overheads applied	2,365	2,645	2,759	2,925	2,916	2,947	3,098	3,054	3,131	3,305	3,273
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	7,942	8,142	7,879	8,343	8,319	8,424	8,687	8,562	8,791	8,996	9,105
Surplus (deficit) of operation funding (A-B)	5,939	6,442	7,253	7,289	7,991	8,624	9,214	10,276	11,010	11,181	11,571
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	1,602	2	4	0	0	0	159	0	0	0
Development and financial contributions	0	574	634	217	300	384	433	293	148	0	0
Increase (decrease) in debt	1,345	7,781	1,171	1,733	1,577	-786	-1,596	-1,596	1,254	-1,479	-1,479
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,345	9,957	1,806	1,954	1,877	-402	-1,163	-1,144	1,402	-1,479	-1,479

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – WATER SUPPLY / NGĀ PUNA WAI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	3,847	5,392	225	372	526	541	556	0	0	0	0
- To improve the level of service	1,478	4,678	4,207	4,498	3,237	2,904	1,541	4,796	6,624	108	125
- To replace existing assets	4,663	5,777	3,734	3,918	6,450	6,284	5,418	5,338	5,320	6,309	6,714
Increase (decrease) in reserves	-2,704	551	893	454	-346	-1,507	536	-1,002	468	3,286	3,253
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	7,285	16,399	9,060	9,242	9,867	8,222	8,051	9,132	12,413	9,702	10,091
Surplus (deficit) of capital funding (C-D)	-5,939	-6,442	-7,253	-7,289	-7,991	-8,624	-9,214	-10,276	-11,010	-11,181	-11,571
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	4,995	5,319	5,854	6,005	6,170	6,953	7,081	7,158	8,141	8,383	8,386

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – STORMWATER / TE WAI AWHIOWHIO ME ŌNA RĪTENGA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	901	1,102	1,163	1,255	1,299	1,471	1,505	1,519	1,613	1,632	1,634
Targeted Rates	9	9	9	9	9	10	10	10	10	11	11
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	194	198	201	211	215	225	227	227	226	225	223
Total operating funding (A)	1,104	1,309	1,374	1,476	1,524	1,707	1,743	1,757	1,850	1,869	1,869
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	251	224	231	238	245	306	314	322	331	341	350
Finance costs	183	154	134	155	136	129	118	111	103	91	86
Internal charges and overheads applied	340	365	384	409	408	413	431	425	436	457	454
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	774	743	750	802	789	848	863	858	870	889	889
Surplus (deficit) of operation funding (A-B)	330	566	624	674	735	859	880	899	980	980	980
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	319	478	513	572	632	656	444	225	0	0
Increase (decrease) in debt	171	1,092	17	243	-42	-200	-239	-239	-239	-180	-114
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	171	1,411	495	756	530	432	417	205	-14	-180	-114

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – STORMWATER / TE WAI AWHIOWHIO ME ŌNA RĪTENGA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	996	596	753	797	820	843	0	0	0	0
- To improve the level of service	480	453	110	394	177	171	54	0	0	0	0
- To replace existing assets	19	527	411	282	289	298	306	366	378	391	403
Increase (decrease) in reserves	2	2	2	2	2	2	95	738	588	409	463
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	501	1,977	1,119	1,430	1,264	1,291	1,297	1,104	966	800	866
Surplus (deficit) of capital funding (C-D)	-330	-566	-624	-674	-735	-859	-880	-899	-980	-980	-980
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	468	689	732	747	771	857	878	897	976	976	976

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – WASTEWATER / NGĀ PARAPARA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	4,781	5,370	5,899	6,347	6,794	7,156	7,480	7,849	8,221	8,513	8,640
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,042	1,175	1,216	1,248	1,282	1,319	1,356	1,399	1,446	1,494	1,541
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	4	4	4	4	4	4	4	5	5	5
Total operating funding (A)	5,822	6,549	7,119	7,599	8,080	8,480	8,840	9,252	9,671	10,012	10,186
Payments to staff and suppliers	2,805	3,327	3,318	3,435	3,557	3,673	3,775	3,892	4,015	4,145	4,270
Finance costs	1,365	1,092	1,039	1,200	1,127	1,114	1,399	1,779	1,733	1,724	1,795
Internal charges and overheads applied	895	1,075	1,110	1,189	1,197	1,198	1,264	1,253	1,266	1,340	1,342
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	5,065	5,494	5,467	5,825	5,881	5,985	6,438	6,924	7,015	7,208	7,407
Surplus (deficit) of operation funding (A-B)	758	1,055	1,652	1,774	2,199	2,495	2,402	2,328	2,656	2,804	2,780
Subsidies and grants for capital expenditure	0	640	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	164	334	583	572	557	470	317	162	0	0
Increase (decrease) in debt	890	2,178	2,115	1,813	2,038	-119	11,671	13,640	-1,083	2,633	3,328
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	890	2,982	2,449	2,395	2,610	438	12,141	13,957	-921	2,633	3,328

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – WASTEWATER / NGĀ PARAPARA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	615	636	935	574	591	607	0	0	0	0
- To improve the level of service	129	1,027	698	1,234	1,984	1,307	11,944	12,380	673	4,133	4,540
- To replace existing assets	1,576	1,960	2,749	1,892	1,769	1,095	1,590	3,874	1,239	1,348	1,734
Increase (decrease) in reserves	-57	435	19	109	482	-60	402	31	-176	-44	-166
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,648	4,037	4,102	4,170	4,809	2,933	14,543	16,285	1,735	5,437	6,107
Surplus (deficit) of capital funding (C-D)	-758	-1,055	-1,652	-1,774	-2,199	-2,495	-2,402	-2,328	-2,656	-2,804	-2,780
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	1,528	1,565	1,643	1,672	1,719	1,941	1,982	2,256	2,746	2,761	2,851

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – SOLID WASTE / TE TUKUHANGA O NGĀ PARAPARA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	583	551	472	437	324	311	235	127	89	38	-29
Targeted Rates	1,931	1,604	1,604	1,604	1,688	1,688	1,688	1,688	1,773	1,857	1,899
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,118	1,442	1,591	1,835	1,987	2,069	2,151	2,246	2,347	2,455	2,561
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	718	735	816	953	1,028	1,061	1,090	1,127	1,166	1,207	1,250
Total operating funding (A)	4,350	4,332	4,483	4,829	5,028	5,130	5,165	5,188	5,376	5,557	5,681
Payments to staff and suppliers	3,444	3,591	3,786	4,136	4,299	4,438	4,525	4,644	4,767	4,893	5,021
Finance costs	146	112	110	115	98	91	83	77	73	67	63
Internal charges and overheads applied	496	450	474	498	505	511	527	525	539	556	561
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	4,086	4,153	4,369	4,749	4,903	5,040	5,135	5,246	5,379	5,516	5,645
Surplus (deficit) of operation funding (A-B)	264	179	114	80	125	89	30	-58	-3	42	35
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-117	94	318	-148	-144	-216	-138	-120	-120	-120	-120
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	-117	94	318	-148	-144	-216	-138	-120	-120	-120	-120

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – SOLID WASTE / TE TUKUHANGA O NGĀ PARAPARA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	27	194	415	37	12	12	12	6	7	7	7
- To replace existing assets	5	101	113	42	73	4	67	6	52	0	0
Increase (decrease) in reserves	115	-23	-96	-147	-103	-142	-187	-191	-182	-85	-91
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	147	273	432	-68	-19	-126	-108	-178	-123	-78	-84
Surplus (deficit) of capital funding (C-D)	-264	-179	-114	-80	-125	-89	-30	58	3	-42	-35
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	49	108	155	145	151	154	163	172	178	184	175

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – ROADING & FOOTPATHS (INCLUDING ROAD SAFETY & PATHWAYS) / NGĀ HUARAHĪ ARA RAU

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	40	36	35	35	34	38	37	38	42	42	42
Targeted Rates	6,502	6,121	6,472	6,704	7,120	7,563	8,270	8,858	8,986	9,700	10,079
Subsidies and grants for operating purposes	5,022	6,468	6,431	6,620	6,810	7,261	7,463	7,678	7,898	8,119	8,351
Fees and charges	187	140	144	148	153	157	161	166	171	176	181
Internal charges and overheads recovered	1,268	771	794	813	852	872	885	905	926	936	969
Local authorities fuel tax, fines, infringement fees and other receipts	1,195	1,318	1,337	1,371	1,364	1,485	1,520	1,527	1,668	1,731	1,719
Total operating funding (A)	14,214	14,853	15,214	15,691	16,333	17,375	18,338	19,172	19,692	20,704	21,341
Payments to staff and suppliers	9,863	11,268	11,267	11,635	11,959	12,717	13,071	13,446	13,831	14,216	14,622
Finance costs	283	259	229	250	221	216	207	191	177	160	152
Internal charges and overheads applied	401	382	404	439	433	438	466	448	460	492	480
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	10,547	11,910	11,901	12,324	12,613	13,370	13,744	14,085	14,468	14,868	15,254
Surplus (deficit) of operation funding (A-B)	3,667	2,943	3,313	3,367	3,720	4,005	4,594	5,087	5,223	5,836	6,087
Subsidies and grants for capital expenditure	4,580	5,297	5,462	5,626	5,790	5,959	6,128	6,308	6,492	6,677	6,872
Development and financial contributions	0	253	407	461	446	431	415	280	142	0	0
Increase (decrease) in debt	1,070	2,105	-4	-50	-146	-120	-94	-577	-438	-296	-296
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	5,650	7,655	5,864	6,037	6,090	6,270	6,449	6,012	6,196	6,381	6,575

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – ROADING & FOOTPATHS (INCLUDING ROAD SAFETY & PATHWAYS) / NGĀ HUARAHI ARA RAU

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	638	658	678	576	593	609	0	0	0	0
- To improve the level of service	2,091	6,521	2,733	2,815	2,897	2,982	3,066	3,156	3,249	3,341	3,438
- To replace existing assets	6,119	6,539	5,949	6,128	6,307	6,491	6,675	6,871	7,072	7,273	7,485
Increase (decrease) in reserves	1,108	-3,100	-163	-217	30	210	692	1,072	1,099	1,603	1,738
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	9,318	10,598	9,177	9,404	9,810	10,276	11,043	11,099	11,420	12,217	12,662
Surplus (deficit) of capital funding (C-D)	-3,667	-2,943	-3,313	-3,367	-3,720	-4,005	-4,594	-5,087	-5,223	-5,836	-6,087
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	7,266	7,426	7,931	7,994	8,076	9,151	9,209	9,276	10,573	10,623	10,694

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – COMMUNITY FACILITIES / NGĀ WHARE-Ā-HAPORI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	5,605	5,636	5,934	6,145	6,756	7,115	7,346	7,527	7,600	7,653	7,930
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	23	7	7	7	7	7	7	7	7	7	7
Fees and charges	2,153	1,580	1,626	1,690	1,739	1,782	1,824	1,869	1,916	1,965	2,011
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3,281	2,914	2,922	2,916	2,953	2,901	2,874	2,888	2,852	2,848	2,872
Total operating funding (A)	11,062	10,137	10,490	10,758	11,454	11,804	12,051	12,291	12,375	12,474	12,821
Payments to staff and suppliers	6,494	5,974	6,231	6,298	6,730	7,109	7,119	7,369	7,481	7,656	8,112
Finance costs	1,257	831	722	761	640	605	541	500	457	396	352
Internal charges and overheads applied	1,383	1,448	1,551	1,658	1,703	1,717	1,761	1,746	1,798	1,843	1,861
Operating funding applications	40	1	1	1	1	1	1	1	1	1	1
Total applications of operating funding (B)	9,174	8,255	8,505	8,720	9,074	9,432	9,423	9,617	9,737	9,897	10,327
Surplus (deficit) of operation funding (A-B)	1,888	1,882	1,985	2,038	2,380	2,373	2,629	2,674	2,638	2,577	2,494
Subsidies and grants for capital expenditure	0	32	1	1	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,663	111	-215	-1,135	-1,294	-1,088	-1,561	-1,591	-1,486	-1,555	-1,556
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	5	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,668	143	-213	-1,134	-1,294	-1,088	-1,561	-1,591	-1,486	-1,555	-1,556

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – COMMUNITY FACILITIES / NGĀ WHARE-Ā-HAPORI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	340	154	270	9	9	43	9	10	10	10	10
- To replace existing assets	1,977	1,781	1,801	993	765	859	479	491	718	249	475
Increase (decrease) in reserves	1,240	575	68	-389	-56	-6	175	171	-5	315	-37
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	3,557	2,511	2,139	613	718	896	664	672	722	574	448
Surplus (deficit) of capital funding (C-D)	-1,888	-2,367	-2,352	-1,747	-2,012	-1,985	-2,225	-2,263	-2,208	-2,129	-2,004
Funding Balance ((A-B) + (C-D))	0	-485	-368	291	368	388	404	411	430	448	490
Excludes Depreciation of:	2,839	2,776	2,908	2,751	2,610	2,291	2,281	2,247	2,235	2,165	2,021

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – ARTS & CULTURE / NGĀ MAHI Ā-TOI ME RĒHIA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	2,584	2,843	2,957	3,093	3,134	3,173	3,228	3,250	3,357	3,478	3,537
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	43	41	41	16	16	16	16	16	16	16	16
Fees and charges	35	27	61	62	63	64	65	66	67	68	65
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	643	591	600	617	617	587	589	591	578	591	596
Total operating funding (A)	3,305	3,501	3,658	3,788	3,829	3,839	3,897	3,922	4,017	4,153	4,214
Payments to staff and suppliers	1,963	2,078	2,142	2,209	2,237	2,305	2,329	2,358	2,399	2,498	2,540
Finance costs	36	24	20	22	23	27	30	32	34	35	40
Internal charges and overheads applied	959	1,029	1,135	1,214	1,248	1,268	1,285	1,266	1,308	1,332	1,342
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,958	3,131	3,297	3,445	3,508	3,600	3,644	3,656	3,741	3,865	3,922
Surplus (deficit) of operation funding (A-B)	347	370	361	342	321	239	253	266	277	288	292
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-45	-45	-45	6	116	144	146	91	97	87	226
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	-45	-45	-45	6	116	144	146	91	97	87	226

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – ARTS & CULTURE / NGĀ MAHI Ā-TOI ME RĒHIA

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- To replace existing assets	367	313	325	326	389	334	350	308	323	324	466
Increase (decrease) in reserves	-65	12	-9	23	48	48	49	50	51	51	52
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	302	325	316	348	437	382	399	357	374	375	518
Surplus (deficit) of capital funding (C-D)	-347	-370	-361	-342	-321	-239	-253	-266	-277	-288	-292
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	487	407	372	333	295	212	226	238	248	259	262

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – DISTRICT ECONOMY / WHAKATIPURANGA O TE ROHE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	1,063	1,153	1,270	1,316	1,278	1,318	1,359	1,408	1,489	1,543	1,468
Targeted Rates	166	169	172	175	178	181	185	189	193	198	202
Subsidies and grants for operating purposes	24	0	0	0	0	0	0	0	0	0	0
Fees and charges	91	102	106	104	107	109	115	114	117	120	123
Internal charges and overheads recovered	0	45	46	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,094	1,035	1,055	1,103	1,090	1,092	979	995	1,003	1,013	1,311
Total operating funding (A)	2,438	2,504	2,649	2,699	2,652	2,700	2,638	2,706	2,802	2,874	3,104
Payments to staff and suppliers	1,048	1,095	1,143	1,116	1,145	1,176	1,200	1,227	1,260	1,284	1,166
Finance costs	399	292	267	286	246	237	221	214	205	189	180
Internal charges and overheads applied	330	334	359	382	391	395	404	400	411	422	425
Operating funding applications	289	289	292	295	298	301	185	189	193	198	202
Total applications of operating funding (B)	2,067	2,009	2,061	2,079	2,079	2,109	2,010	2,030	2,069	2,093	1,973
Surplus (deficit) of operation funding (A-B)	371	495	588	620	573	591	627	677	733	781	1,131
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,020	1,744	-543	-300	-300	-300	-300	-300	-300	-296	-296
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	1,022	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,042	1,744	-543	-300	-300	-300	-300	-300	-300	-296	-296

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – DISTRICT ECONOMY / WHAKATIPURANGA O TE ROHE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	3,196	5,459	1,219	2,342	2,367	1,299	1,840	2,074	1,309	1,344	1,668
- To replace existing assets	0	0	12	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	217	-2,863	-546	319	273	290	327	377	433	486	835
Increase (decrease) in investments	0	-357	-639	-2,342	-2,367	-1,299	-1,840	-2,074	-1,309	-1,344	-1,668
Total applications of capital funding (D)	3,413	2,239	46	320	273	291	327	376	433	485	835
Surplus (deficit) of capital funding (C-D)	-371	-495	-588	-620	-573	-591	-627	-677	-733	-781	-1,131
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	333	438	517	595	654	715	760	826	897	941	984

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – COMMUNITY DEVELOPMENT / WHAKAWHANAKE HAPORI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	1,003	1,032	1,052	1,072	1,100	1,126	1,150	1,159	1,180	1,197	1,213
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	293	272	263	270	266	267	261	272	250	262	251
Total operating funding (A)	1,296	1,304	1,315	1,342	1,366	1,394	1,411	1,431	1,430	1,458	1,464
Payments to staff and suppliers	371	397	398	416	417	436	436	456	457	478	477
Finance costs	52	37	33	35	30	28	26	25	24	22	20
Internal charges and overheads applied	269	262	288	307	317	322	325	322	332	338	343
Operating funding applications	578	560	562	550	552	554	556	558	561	564	566
Total applications of operating funding (B)	1,270	1,257	1,281	1,307	1,315	1,340	1,343	1,361	1,373	1,401	1,407
Surplus (deficit) of operation funding (A-B)	26	48	35	35	51	54	68	69	57	57	57
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-28	-41	-28	-37	-40	-42	-43	-44	-44	-44	-44
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	-28	-41	-28	-37	-40	-42	-43	-44	-44	-44	-44

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – COMMUNITY DEVELOPMENT / WHAKAWHANAKE HAPORI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- To replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	-2	6	7	-2	12	13	25	25	13	13	13
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	-2	6	7	-2	12	13	25	25	13	13	13
Surplus (deficit) of capital funding (C-D)	-26	-48	-35	-35	-51	-54	-68	-69	-57	-57	-57
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	1	1	1	1	1	1	1	1	1	1	1

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – ENVIRONMENTAL MANAGEMENT / TIAKI TAIAO

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	753	715	698	761	656	834	1,187	1,019	908	883	872
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	180	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	268	128	121	157	113	137	197	183	175	192	215
Total operating funding (A)	1,201	843	818	918	769	971	1,384	1,202	1,083	1,075	1,087
Payments to staff and suppliers	758	472	421	475	485	495	507	450	460	471	482
Finance costs	0	3	4	11	18	25	23	21	19	17	15
Internal charges and overheads applied	312	110	117	124	127	129	132	131	134	139	140
Operating funding applications	0	65	65	65	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,070	650	607	675	630	649	662	602	614	626	637
Surplus (deficit) of operation funding (A-B)	131	193	211	243	139	322	722	601	470	449	450
Subsidies and grants for capital expenditure	0	12	12	12	12	12	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	80	66	205	282	246	-49	-59	-66	-66	-66
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	92	78	217	294	258	-49	-59	-66	-66	-66

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – ENVIRONMENTAL MANAGEMENT / TIAKI TAIAO

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	3	98	101	272	395	407	113	116	120	124	128
- To replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	128	187	227	187	37	172	559	424	283	258	256
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	131	284	328	459	432	579	672	540	403	382	384
Surplus (deficit) of capital funding (C-D)	-131	-193	-250	-242	-138	-321	-721	-600	-469	-448	-450
Funding Balance ((A-B) + (C-D))	0	1	-39	1	1	1	1	1	1	1	1
Excludes Depreciation of:	1	6	24	55	101	149	162	175	189	204	196

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – REGULATORY SERVICES / RATONGA WHAKATURE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	905	1,136	1,200	1,306	1,329	1,365	1,389	1,388	1,430	1,468	1,528
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,794	2,131	2,227	2,346	2,389	2,464	2,499	2,581	2,627	2,722	2,691
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	203	216	220	233	233	221	221	221	212	214	223
Total operating funding (A)	2,902	3,484	3,647	3,884	3,950	4,050	4,109	4,190	4,269	4,404	4,442
Payments to staff and suppliers	1,944	2,222	2,322	2,447	2,493	2,578	2,612	2,703	2,728	2,829	2,856
Finance costs	19	17	14	15	11	11	11	11	11	10	11
Internal charges and overheads applied	896	1,171	1,265	1,336	1,377	1,395	1,417	1,410	1,452	1,483	1,506
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,859	3,409	3,600	3,798	3,881	3,984	4,040	4,125	4,191	4,322	4,372
Surplus (deficit) of operation funding (A-B)	43	74	47	86	69	66	70	65	78	82	69
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	105	39	-21	-25	-17	24	-31	0	-6	-46	55
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	105	39	-21	-25	-17	24	-31	0	-6	-46	55

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – REGULATORY SERVICES / RATONGA WHAKATURE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	133	41	0	0	0	5	0	0	43	0	6
- To replace existing assets	17	24	11	6	24	56	9	37	0	7	89
Increase (decrease) in reserves	-1	49	-24	55	29	30	30	30	30	30	30
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	149	114	-13	62	53	91	39	66	73	37	125
Surplus (deficit) of capital funding (C-D)	-43	-75	-8	-87	-70	-67	-71	-66	-79	-83	-70
Funding Balance ((A-B) + (C-D))	0	-1	39	-1	-1	-1	-1	-1	-1	-1	-1
Excludes Depreciation of:	63	70	84	84	66	54	55	56	54	52	56

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – COASTAL STRUCTURES / NGĀ MOMO HANGA KI TAI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	112	124	94	102	115	122	123	127	131	137	112
Targeted Rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	24	22	16	17	19	19	18	19	18	19	15
Total operating funding (A)	136	147	110	119	135	141	141	146	150	156	127
Payments to staff and suppliers	23	66	24	25	26	26	27	28	29	30	31
Finance costs	30	23	20	22	21	20	19	18	18	16	16
Internal charges and overheads applied	60	22	24	25	26	26	27	26	27	28	28
Operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	113	112	68	72	72	72	72	72	73	74	74
Surplus (deficit) of operation funding (A-B)	23	35	42	47	63	69	68	74	76	82	53
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	245	521	-19	-19	35	-19	-19	-19	-19	-19	-19
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	245	521	-19	-19	35	-19	-19	-19	-19	-19	-19

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – COASTAL STRUCTURES / NGĀ MOMO HANGA KI TAI

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	161	0	0	0	116	0	0	0	0	67	0
- To replace existing assets	108	555	11	11	532	12	43	13	13	13	14
Increase (decrease) in reserves	-1	0	12	17	-550	37	6	42	44	-19	20
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	268	555	23	28	98	49	49	54	57	62	34
Surplus (deficit) of capital funding (C-D)	-23	-35	-42	-47	-63	-69	-68	-74	-76	-82	-53
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	273	265	285	285	348	348	339	340	336	336	297

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	-143	94	1	334	534	349	270	256	293	275	29
Targeted Rates	292	290	275	260	240	230	188	135	72	26	0
Subsidies and grants for operating purposes	25	12	12	12	12	12	12	0	0	0	0
Fees and charges	57	636	645	661	676	695	712	730	748	770	788
Internal charges and overheads recovered	15,034	16,110	17,154	18,158	18,514	18,627	19,144	19,041	19,544	20,176	20,339
Local authorities fuel tax, fines, infringement fees and other receipts	2,318	2,868	2,944	3,085	2,948	3,399	3,783	4,197	4,474	4,671	4,575
Total operating funding (A)	17,583	20,011	21,032	22,509	22,924	23,313	24,110	24,359	25,131	25,919	25,731
Payments to staff and suppliers	12,012	12,607	13,007	13,534	13,605	13,887	14,368	14,347	14,664	15,153	15,237
Finance costs	352	344	297	344	316	290	257	234	211	185	166
Internal charges and overheads applied	3,323	3,764	4,098	4,336	4,535	4,503	4,556	4,540	4,673	4,767	4,853
Operating funding applications	62	59	59	59	59	59	59	59	59	59	59
Total applications of operating funding (B)	15,750	16,774	17,461	18,273	18,516	18,739	19,240	19,181	19,607	20,165	20,315
Surplus (deficit) of operation funding (A-B)	1,833	3,236	3,570	4,236	4,408	4,574	4,870	5,178	5,524	5,754	5,416
Subsidies and grants for capital expenditure	0	8	1	3	1	1	1	1	1	1	1
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-46	416	-333	541	327	-887	-820	-795	-768	-595	-706
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	-46	423	-332	543	328	-886	-818	-794	-767	-593	-704

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – CORPORATE ACTIVITIES / NGĀ MAHINGA MATAKITE Ā ROHE

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- To improve the level of service	325	841	893	1,747	1,275	694	324	432	268	422	214
- To replace existing assets	421	1,868	1,192	463	579	187	416	545	354	464	312
Increase (decrease) in reserves	1,042	466	785	2,859	3,251	3,195	3,715	3,817	4,565	4,723	4,675
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,788	3,174	2,871	5,070	5,104	4,076	4,455	4,795	5,187	5,609	5,201
Surplus (deficit) of capital funding (C-D)	-1,833	-2,751	-3,202	-4,526	-4,776	-4,962	-5,274	-5,589	-5,954	-6,202	-5,906
Funding Balance ((A-B) + (C-D))	0	485	368	-291	-368	-388	-404	-411	-430	-448	-490
Excludes Depreciation of:	773	1,216	1,648	1,794	1,849	1,605	1,495	1,388	1,398	1,438	1,462

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

For the year ended 30 June	Annual Plan 2020/21 (\$'000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SOURCES OF OPERATING FUNDING											
General Rates, uniform annual general charges, rates penalties	15,720	16,931	17,594	18,609	19,388	20,200	20,799	20,827	21,332	21,545	21,593
Targeted Rates	26,326	27,117	28,508	29,646	31,226	32,731	34,544	36,354	37,805	39,190	40,178
Subsidies and grants for operating purposes	5,137	6,528	6,491	6,655	6,845	7,295	7,498	7,700	7,921	8,142	8,373
Fees and charges	6,744	7,329	7,714	8,195	8,498	8,766	8,994	9,285	9,557	9,891	10,086
Interest and dividends from investments	8,491	8,457	8,651	8,834	8,775	9,280	9,598	10,060	10,385	10,627	10,869
Local authorities fuel tax, fines, infringement fees and other receipts	1,435	1,707	1,834	2,084	2,154	2,234	2,324	2,395	2,484	2,634	2,705
Total operating funding (A)	63,853	68,069	70,792	74,023	76,886	80,506	83,758	86,621	89,483	92,029	93,806
Applications of operating funding											
Payments to staff and suppliers	41,923	45,283	46,072	47,771	49,133	51,246	52,453	53,322	54,681	56,239	57,541
Finance costs	5,326	4,286	3,928	4,435	4,054	3,968	4,067	4,345	4,258	4,046	4,012
Operating funding applications	970	975	980	970	910	915	801	808	815	822	828
Total applications of operating funding (B)	48,219	50,544	50,980	53,176	54,097	56,130	57,321	58,475	59,754	61,106	62,381
Surplus (deficit) of operation funding (A-B)	15,635	17,525	19,812	20,847	22,789	24,376	26,436	28,145	29,729	30,923	31,424
Sources of capital funding											
Subsidies and grants for capital expenditure	4,580	7,591	5,478	5,646	5,803	5,972	6,129	6,468	6,493	6,678	6,873
Development and financial contributions	0	1,310	1,852	1,774	1,890	2,004	1,974	1,334	677	0	0
Increase (decrease) in debt	8,606	17,411	3,817	4,163	3,728	-2,026	8,250	9,614	-2,037	-939	-117
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	1,027	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0										
Total sources of capital funding (C)	14,213	26,311	11,147	11,583	11,421	5,950	16,353	17,416	5,134	5,740	6,756

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

For the year ended 30 June	Annual Plan 2020/21 (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
APPLICATIONS OF CAPITAL FUNDING											
- To meet additional demand	3,847	7,641	2,116	2,737	2,473	2,546	2,616	0	0	0	0
- To improve the level of service	8,363	19,464	10,645	13,349	12,468	9,825	18,903	22,970	12,302	9,556	10,136
- To replace existing assets	15,270	19,446	16,308	14,061	17,175	15,619	15,354	17,849	15,470	16,378	17,691
Increase (decrease) in reserves	2,367	-2,358	2,529	4,624	4,462	3,636	7,755	6,816	8,400	12,073	12,020
Increase (decrease) in investments	0	-357	-639	-2,342	-2,367	-1,299	-1,840	-2,074	-1,309	-1,344	-1,668
Total applications of capital funding (D)	29,847	43,836	30,959	32,429	34,211	30,326	42,789	45,561	34,863	36,662	38,180
Surplus (deficit) of capital funding (C-D)	-15,635	-17,525	-19,812	-20,847	-22,789	-24,376	-26,436	-28,145	-29,729	-30,923	-31,424
Funding Balance ((A-B) + (C-D))	0	0	0	0	0	0	0	0	0	0	0
Excludes Depreciation of:	19,083	20,292	22,170	22,477	22,827	24,448	24,642	25,040	27,981	28,332	28,369

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – RATING

<i>For the years ended 30 June</i>				Annual Plan 2020/21 (\$000)	21/22 (\$000)	22/23 (\$000)	23/24 (\$000)	24/25 (\$000)	25/26 (\$000)	26/27 (\$000)	27/28 (\$000)	28/29 (\$000)	29/30 (\$000)	30/31 (\$000)
RATE				Rating Amount 2021/22 (inclusive of GST)										
General rates	Capital Value Rating	0.09225c per \$ of capital value		8,411	8,861	9,067	9,609	9,950	10,255	10,317	9,932	10,080	10,019	9,879
Uniform Annual General Charge (UAGC)	A fixed amount per separately used or inhabited part of a rating unit - see definition below	\$663.16 per portion of rating unit		7,383	8,151	8,608	9,090	9,533	10,051	10,596	11,017	11,383	11,666	11,863
Total General & Uniform Annual General Charge Rates				15,794	17,012	17,675	18,699	19,483	20,306	20,912	20,950	21,463	21,685	21,742
TARGETED RATE														
	Rating Matter (Schedule 2)	Rating Factor (Schedule 3)												
Roading	All Rating Units	Capital Value	0.06372c per \$ of capital value	6,502	6,121	6,472	6,704	7,120	7,563	8,270	8,858	8,986	9,700	10,079
Total Rooding Targeted Rate				6,502	6,121	6,472	6,704	7,120	7,563	8,270	8,858	8,986	9,700	10,079
Total General, UAGC and Rooding Rates				22,296	23,133	24,147	25,403	26,603	27,869	29,182	29,808	30,448	31,385	31,821
URBAN WATER														
Connected rating unit	All properties connected to Council's water supply	The number of connections from the land within each rating unit to the Council's water scheme	\$661.25 on each SUIP* of a rating unit	4,311	4,528	4,749	4,931	5,076	5,302	5,571	5,842	6,116	6,229	6,425

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – RATING

<i>For the years ended 30 June</i>				Annual Plan 2020/21 (\$000)	21/22 (\$000)	22/23 (\$000)	23/24 (\$000)	24/25 (\$000)	25/26 (\$000)	26/27 (\$000)	27/28 (\$000)	28/29 (\$000)	29/30 (\$000)	30/31 (\$000)	
Water meter charge up to <= 32mm connection	All properties connected to Council's water supply	The number of connections from the land within each rating unit to the Council's water scheme	\$150 per connection	62	62	62	63	63	64	65	65	66	67	67	
Water meter charge up to <= 32mm connection with backflow			\$260 per connection	79	174	174	175	177	179	181	182	184	186	188	
Water meter charge up to <= 40mm connection			\$175 per connection	3	2	2	2	2	2	2	2	2	2	2	2
Water meter charge up to <= 40mm connection with backflow			\$325 per connection	5	14	14	14	14	14	14	14	14	14	14	14
Water meter charge up to <= 50mm connection with backflow			\$460 per connection	9	9	9	9	9	9	9	9	9	9	9	9
Water meter charge up to > 50mm connection with backflow			\$630 per connection	10	11	11	11	11	11	11	11	11	11	11	11
Serviceable rating unit	All properties that have a connection available to Council's water supply	Extent of provision of service	\$330.63 per serviceable SUIP* of a rating unit	82	90	95	99	102	107	113	119	125	128	133	

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – RATING

<i>For the years ended 30 June</i>			Annual Plan 2020/21 (\$000)	21/22 (\$000)	22/23 (\$000)	23/24 (\$000)	24/25 (\$000)	25/26 (\$000)	26/27 (\$000)	27/28 (\$000)	28/29 (\$000)	29/30 (\$000)	30/31 (\$000)	
Metered consumers - Town	Not required	\$2.75 per cubic metre	570	1,040	1,083	1,125	1,176	1,233	1,295	1,362	1,432	1,465	1,507	
Metered consumers - High User		\$2.75 per cubic metre	1,560	1,498	1,561	1,621	1,694	1,776	1,865	1,963	2,063	2,110	2,172	
Metered consumers - Extra High User		\$2.97 per cubic metre	1,606	1,590	1,639	1,680	1,710	1,746	1,834	1,930	2,028	2,074	2,135	
Total Urban Water Rates			8,297	9,018	9,399	9,730	10,034	10,443	10,960	11,499	12,050	12,295	12,663	
OTHER WATER SCHEMES														
Waimate West & Inaha Metered Consumers	Not required		\$1.10 per cubic metre	4,620	4,800	4,949	5,101	5,459	5,772	6,090	6,466	6,858	6,966	7,074
Water meter charge up to <= 32mm connection	All properties connected to Council's water supply	The number of connections from the land within each rating unit to the Council's water scheme	\$150 per connection	2	3	3	3	3	3	3	3	3	3	3
Water meter charge up to <= 32mm connection with backflow			\$260 per connection	189	190	191	192	192	193	193	194	194	195	196
Water meter charge up to <= 40mm connection			\$175 per connection	0	0	0	0	0	0	0	0	0	0	0
Water meter charge up to <= 40mm connection with backflow			\$325 per connection	37	39	40	40	40	40	40	40	40	40	40
Water meter charge up to <= 50mm connection with backflow			\$460 per connection	2	2	2	2	2	2	2	2	2	2	2
Water meter charge up to > 50mm connection with backflow			\$630 per connection	7	3	3	3	3	3	3	3	3	3	3
Total Water			13,153	14,055	14,586	15,071	15,733	16,456	17,291	18,207	19,150	19,504	19,981	

TE TAUĀKI PŪTEA WHAKAPĀNGA

FUNDING IMPACT STATEMENT – RATING

				<i>For the years ended 30 June</i>										
				Annual Plan 2020/21 (\$000)	21/22 (\$000)	22/23 (\$000)	23/24 (\$000)	24/25 (\$000)	25/26 (\$000)	26/27 (\$000)	27/28 (\$000)	28/29 (\$000)	29/30 (\$000)	30/31 (\$000)
WASTEWATER														
Connected rating unit	All properties connected to Council's wastewater supply	The number of connections from the land within each rating unit to the Council's wastewater scheme	\$759 one each SUIP* of a rating unit	4,693	5,272	5,791	6,231	6,670	7,024	7,342	7,703	8,067	8,354	8,478
Serviceable rating unit	All properties that have a connection available to Council's wastewater supply	Extent of provision of service	\$379.50 per serviceable SUIP* of a rating unit	87	98	108	116	124	132	138	146	153	160	163
Total Wastewater Rates				4,781	5,370	5,899	6,347	6,794	7,156	7,480	7,849	8,220	8,514	8,641
Kerbside Collection Targeted Rate – Urban	The number of rating unit where the service is available	The number of bins provided to the property (extent of provision of service)	\$218.50 per set of bins per rating unit	1,638	1,359	1,359	1,359	1,431	1,431	1,431	1,431	1,502	1,574	1,609

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT – RATING

<i>For the years ended 30 June</i>				Annual Plan 2020/21 (\$000)	21/22 (\$000)	22/23 (\$000)	23/24 (\$000)	24/25 (\$000)	25/26 (\$000)	26/27 (\$000)	27/28 (\$000)	28/29 (\$000)	29/30 (\$000)	30/31 (\$000)
Kerbside Collection Targeted Rate - Rural	The number of rating unit where the service is available	The number of bins provided to the property (extent of provision of service)	\$218.50 per set of bins per rating unit	293	245	245	245	258	258	258	258	270	283	290
Eltham Drainage Rate	Land Value	Land Value	0.01107c per \$ of land value	6	6	6	6	6	7	7	7	7	7	7
	Land Value	Land Value	0.00720c per \$ of land value	1	1	1	1	1	1	1	1	1	2	2
	Land Value	Land Value	0.00386c per \$ of land value	2	2	2	2	2	2	2	2	2	2	2
Hāwera Business Rate	All Rating Unit	Capital Value	0.09034c per \$ of capital value	166	169	172	175	178	181	185	189	193	198	202
Warmer Homes Scheme Rate	All properties that have a warmer home scheme funding	The value of the service provided	VTR – 15% of the service amount	299	290	275	260	240	230	188	135	72	26	0
Total Targeted Rates				20,341	21,498	22,546	23,466	24,644	25,722	26,844	28,086	29,422	30,111	30,737
Total Rates Levied				42,637	44,630	46,692	48,869	51,246	53,591	56,025	57,887	59,865	61,495	62,555

TE TAUĀKI PŪTEA WHAKAPĀNGA

OTHER FUNDING MECHANISMS

<i>For the years ended 30 June</i>	Annual Plan 2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
User fees and charges	6,744	7,329	7,714	8,195	8,498	8,766	8,994	9,285	9,557	9,891	10,086
General Interest	301	50	55	60	65	70	75	80	85	90	95
Earnings Long Term Investment Fund	9,102	9,038	9,124	9,299	9,141	9,594	9,853	10,268	10,547	10,738	10,942
Less: Interest on Internal Borrowings	(912)	(631)	(528)	(525)	(431)	(384)	(330)	(288)	(247)	(201)	(168)
Operational grants and subsidies	5,137	6,528	6,491	6,655	6,845	7,295	7,498	7,700	7,921	8,142	8,373
Capital contributions, grants and subsidies	5,608	8,900	7,330	7,420	7,693	7,976	8,103	7,802	7,171	6,679	6,873
Sundry Revenue	1,435	1,707	1,834	2,084	2,154	2,234	2,324	2,395	2,484	2,634	2,705
Loans Raised	12,337	23,493	9,178	8,910	8,720	3,150	13,487	15,312	3,521	4,471	5,329
*SUIP – Separately used or inhabited part of a rating unit	14,057	14,149	14,169	14,189	14,209	14,229	14,249	14,269	14,289	14309	14329

FUNDING IMPACT STATEMENTS

GENERAL RATES

The Council will set a general rate based on the capital value rating system. The capital value rating system for general rates was preferred over land value and more targeted rates because of its greater tendency to match the “ability to pay”.

UNIFORM ANNUAL GENERAL CHARGE

The Council will set a uniform general charge (UAGC) which is a fixed amount assessed on every separately used or inhabited part (SUIP) of a rating unit in the District. It is calculated according to the Council’s judgement on the proper balance between the fixed and variable parts of the general rate and any consequential impacts on individuals and groups of ratepayers.

ROADING RATE

The roading rate is based on capital value, assessed on all rateable rating units in the District to fund the maintenance and development of the roading network.

TARGETED RATES

The Council will charge the following targeted rates:

- Water (non-metered and metered)
- Wastewater
- Kerbside collection services
- Hāwera Business Rate for town promotion
- Eltham Drainage Rate
- Warmer Homes Scheme

WATER SUPPLY

The water supply rate funds treatment and distribution of water supply. The Council has the following mechanism of payment for water supply:

NOT METERED

- A fixed charge being a uniform targeted rate for each SUIP that is connected to an urban water supply and not metered.

WATER DIFFERENTIALS

The differential categories for the uniform water supply rate are:

- Connected – any rating unit connected to a Council operated water supply; and
- Serviceable – any rating unit not connected to a Council operated water supply but is within 100 metres of a water main. A half charge of the connected water supply is assessed for serviceable rating units.

METERED

- A rate per cubic metre of water supplied to each rating unit that is metered and connected to an urban or rural water supply; and
- An amount per connection, based on connection size and backflow prevention availability.

WATER BY METER RATE – URBAN WATER SUPPLY

In 2011/12, the Council proposed that the urban water per cubic metre rate be increased by 25% per annum. The majority of urban residents who pay the urban water per cubic metre rate do not use large amounts of water, so the increase was not excessive. However bulk water users on the urban water metered system faced a major cost increase at the time. For this reason and based on feedback received during the 2011/12 Annual Plan consultation phase, the Council introduced three urban water per cubic metre rate categories. Customers using less than 4 cubic metres per day would be on a town rate, those using more than 4 cubic metres a day would be on a high user rate and the District’s two largest consumers, Silver Fern Farms and Riverlands (now ANZCO) would be on an extra high user rate.

The Council identified different types of users at the time and wrote to each customer affected by these different categories to explain its intention to smooth the rate by charging 10% per annum for the high and extra high users until the rates were all the same, which would then be called the town rate. The categories only apply to the customers identified in 2011/12. Any new connections that fall within these different categories after 2011/12 would automatically be on the town rate.

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WASTEWATER

The wastewater rate funds treatment and disposal of wastewater as a fixed amount per separately used or inhabited part of a rating unit.

WASTEWATER DIFFERENTIALS

The differential categories for the wastewater disposal rate are:

- Connected – any rating unit connected to a public wastewater drain; and
- Serviceable – any rating unit not connected to a public wastewater drain but is within 30 metres of such a drain. A half charge of the connected wastewater is assessed for serviceable rating units.

KERBSIDE COLLECTION SERVICES

The kerbside collection targeted rate is charged for the number of sets of bins each rating unit uses. For example a property that has two sets of bins (for refuse and recycling) will be charged two targeted kerbside collection rates.

The targeted rates for kerbside collection are:

- Urban - \$218.50 for each set of bins (refuse and recycling) on every rating unit situated within the urban areas of Pungarehu, Rāhotu, Ōpunakē, Kaponga, Eltham, Manaia, Ōhawe, Hāwera, Normanby, Pātea, Waverley and Waverley Beach where the service is available.

- Rural - \$218.50 for each set of bins (refuse and recycling) on every rating unit situated within the rural area where the service is available and where the Council is prepared to provide the service.

HĀWERA BUSINESS RATE

The Hāwera business differential is applied to properties used for commercial and industrial purposes within a defined area of Hāwera including areas of the former Hāwera County located within 1,500 metres of the former Hāwera Borough boundary. The rate is an amount per dollar of capital value.

ELTHAM DRAINAGE RATE

The Council has a targeted rate for drainage maintenance work in the Eltham drainage area on differing classes of land as follows:

- Class A Land Swamp land within 600m of an improved main drain
- Class B Land Swamp land between 600m and 1000m of an improved main drain.

Swamp land within 400m of a main drain not improved in this scheme but maintained by the Eltham Drainage Board.

Where foreign watersw (that is, from catchments outside the drainage district) are discharged into main drains via subsidiary drains, a strip 200m wide through the Class “C” land zone is to be placed in Class “B” land.

- Class C Land Swamp land over 1000m from and draining into a main drain. Hill country that drains into a main drain provided that the area of hill country in Class “C” does not exceed three times the area of swamp in classes “A”, “B” and “C” on the property.

FUNDING IMPACT STATEMENTS

VOLUNTARY TARGETED RATE - WARMER HOMES SCHEME GUIDELINES

The Warmer Homes Scheme rate is a targeted rate set on properties that benefit from the installation of insulation and approved heating products provided by the Council. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and the costs of servicing the service amount are recovered.

LUMP SUM CONTRIBUTIONS

The Council may accept lump sum contributions in respect of any targeted rates.

DEFINITION OF SUIP

A SUIP is defined as a separately used or inhabited part of a rating unit and includes any part that is used or inhabited by any person, other than the ratepayer or any part or parts of a rating unit that are used or inhabited by the ratepayer for more than one single use.

Any part of a rating unit means:

- A residential property that contains two or more separately inhabited units/flats/houses that would each be separately assessed for uniform charges;
- A rural property/farm with multiple dwellings (for example, a house used by a farm worker) would be each separately assessed for uniform charges; and
- Where a number of different businesses are located in one rating unit (for example, two retail shops) then each separate business would be assessed for uniform charges.

An exception is made for motels/hotels as these are treated as one business even if each accommodation unit may be capable of separate habitation.

EXAMPLES OF RATING IMPACT

The following examples show the impact of the rating proposals on low, medium and high valued urban and rural properties as well as one example of commercial property in Hāwera. They are required to be provided under clause 15(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. The examples exclude water by meter rates and Warmer Homes Scheme rates.

Cover Page – the attractive lifestyle

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE/ ADD TE REO TRANSLATION

For the year ended 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE											
Revenue from exchange transactions											
- Water by meter rate	8,578	9,531	9,839	10,139	10,658	11,152	11,715	12,360	13,025	13,268	13,548
- LTIF Income	8,190	8,407	8,596	8,774	8,710	9,210	9,523	9,980	10,300	10,537	10,774
- Interest Income	301	50	55	60	65	70	75	80	85	90	95
Revenue from non-exchange transactions											
- Rates	33,468	34,517	36,263	38,115	39,956	41,780	43,628	44,821	46,112	47,468	48,223
- Fees and charges	6,744	7,329	7,714	8,195	8,498	8,766	8,994	9,285	9,557	9,891	10,086
- Sundry revenue	1,435	1,708	1,834	2,084	2,154	2,234	2,324	2,395	2,484	2,634	2,705
- Operational grants and subsidies	5,137	6,528	6,491	6,655	6,845	7,295	7,498	7,700	7,921	8,142	8,373
- Capital Contributions, grants and subsidies	5,608	8,900	7,330	7,420	7,693	7,976	8,103	7,802	7,171	6,679	6,873
Total Revenue	69,461	76,970	78,122	81,442	84,579	88,483	91,860	94,423	96,654	98,708	100,678
EXPENDITURE											
Community Development	1,271	1,257	1,281	1,308	1,316	1,341	1,344	1,362	1,374	1,402	1,408
Arts and Culture	3,429	3,524	3,657	3,766	3,793	3,803	3,861	3,886	3,982	4,117	4,177
Democracy & Leadership	3,095	3,248	3,478	3,516	3,601	3,749	3,737	3,789	3,984	3,986	4,058
District Economy	2,390	2,388	2,518	2,660	2,719	2,810	2,755	2,840	2,950	3,017	2,941
Environmental Management	1,071	656	631	730	731	797	823	777	803	830	832
Regulatory Services	2,922	3,479	3,684	3,882	3,947	4,039	4,094	4,180	4,244	4,374	4,428
Community Facilities	11,595	10,601	10,986	11,032	11,236	11,264	11,234	11,382	11,478	11,555	11,827
Roading and Footpaths	16,436	18,479	18,963	19,428	19,770	21,586	22,009	22,401	24,063	24,508	24,935
Solid Waste	4,082	4,219	4,487	4,858	5,023	5,167	5,274	5,396	5,535	5,676	5,796
Stormwater	1,129	1,332	1,388	1,455	1,471	1,618	1,657	1,673	1,766	1,787	1,787

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE/ ADD TE REO TRANSLATION

For the year ended 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Wastewater	6,176	6,728	6,808	7,192	7,321	7,657	8,164	8,933	9,524	9,743	10,040
Water Supply Services	11,863	12,691	12,983	13,581	13,742	14,629	15,022	14,969	16,176	16,620	16,725
Coastal Structures	386	377	353	357	420	420	412	412	409	410	371
Corporate Activities	1,458	1,855	1,933	1,887	1,833	1,699	1,575	1,513	1,448	1,414	1,426
Less: Interest on Internal Borrowings											
Total Expenditure	67,302	70,836	73,150	75,653	76,924	80,578	81,963	83,515	87,735	89,438	90,750
Net cost of services - Surplus/(Deficit)	2,159	6,134	4,972	5,790	7,655	7,904	9,897	10,908	8,919	9,270	9,928
Taxation	0	0	0	0	0	0	0	0	0	0	0
Surplus/(Deficit) after taxation	2,159	6,134	4,972	5,790	7,655	7,904	9,897	10,908	8,919	9,270	9,928
Disclosures		6,133	4,972	5,790	7,655	7,904	9,897	10,908	8,919	9,270	9,928
Total expenditure includes:		-1	0	0	0	0	0	0	0	0	0
Direct Costs	42,893	46,258	47,052	48,742	50,042	52,162	53,255	54,131	55,495	57,060	58,369
Interest	5,326	4,286	3,928	4,435	4,054	3,968	4,067	4,345	4,258	4,046	4,012
Amortisation and Depreciation	19,083	20,292	22,170	22,476	22,828	24,448	24,642	25,039	27,981	28,332	28,370

The Council surplus represents the capital contributions, grants, roading subsidies and LTIF income and contributions towards loans and to pay for capital expenditure.

* All other expenditure includes management fee on the LTIF and is funded by income from the LTIF

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE/ ADD TE REO TRANSLATION

Prospective Statement of Income and Expense											
For the year ended 30 June											
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue											
Revenue from exchange transactions											
- Water by meter rate	8,578	9,531	9,839	10,139	10,658	11,152	11,715	12,360	13,025	13,268	13,548
- LTIF Income	8,190	8,407	8,596	8,774	8,710	9,210	9,523	9,980	10,300	10,537	10,774
- Interest Income	301	50	55	60	65	70	75	80	85	90	95
Revenue from non-exchange transactions											
- Rates	33,468	34,517	36,263	38,115	39,956	41,780	43,628	44,821	46,112	47,468	48,223
- Fees and charges	6,744	7,329	7,714	8,195	8,498	8,766	8,994	9,285	9,557	9,891	10,086
- Sundry revenue	1,435	1,708	1,834	2,084	2,154	2,234	2,324	2,395	2,484	2,634	2,705
- Operational grants and subsidies	5,137	6,528	6,491	6,655	6,845	7,295	7,498	7,700	7,921	8,142	8,373
- Capital Contributions, grants and subsidies	5,608	8,900	7,330	7,420	7,693	7,976	8,103	7,802	7,171	6,679	6,873
Total Revenue	69,462	76,970	78,122	81,442	84,579	88,483	91,860	94,423	96,654	98,708	100,678
Expenditure											
Other costs											
Other costs	42,893	46,258	47,052	48,742	50,042	52,162	53,255	54,131	55,495	57,060	58,369
Interests	5,326	4,286	3,928	4,435	4,054	3,968	4,067	4,345	4,258	4,046	4,012
Depreciation	19,083	20,292	22,170	22,476	22,828	24,448	24,642	25,039	27,981	28,332	28,370
Total Expenditure	67,302	70,836	73,150	75,653	76,924	80,578	81,963	83,515	87,735	89,438	90,750
Net cost of service - Surplus/(Deficit)											
Net cost of service - Surplus/(Deficit)	2,159	6,134	4,972	5,790	7,654	7,903	9,896	10,908	8,919	9,269	9,927
Gains on asset revaluations	-	30,037	-	-	93,392	-	-	119,211	-	-	162,254
Total comprehensive income for the year	2,159	36,171	4,972	5,790	101,046	7,903	9,896	130,118	8,920	9,269	172,181

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June	Annual Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan	Proposed Ten Year Plan
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
EQUITY AT THE START OF THE YEAR	908,547	941,666	977,837	982,809	988,600	1,089,646	1,097,549	1,107,446	1,237,566	1,246,485	1,255,754
Gain on asset revaluations	0	30,037	0	0	93,392	0	0	119,211	0	0	162,254
Net income recognised directly in equity											
Surplus / (Deficit) for the year	2,159	6,134	4,972	5,790	7,654	7,903	9,896	10,908	8,920	9,269	9,927
Total Recognised income and expenses	2,159	6,134	4,972	5,790	7,654	7,903	9,896	10,908	8,920	9,269	9,927
EQUITY AT THE END OF THE YEAR	910,706	977,837	982,809	988,600	1,089,646	1,097,549	1,107,446	1,237,566	1,246,485	1,255,754	1,427,935

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

For the year ended 30 June	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000
CURRENT ASSETS											
Cash will be provided from:											
Cash and cash equivalents	5,097	1,752	1,254	2,097	2,837	2,274	5,672	7,633	6,734	7,753	7,976
Accounts Receivable	10,265	11,064	11,230	11,707	12,158	12,719	13,205	13,573	13,894	14,189	14,473
Stocks	207	121	121	126	126	131	131	136	136	141	141
Prepayments	2,260	856	656	506	606	656	576	666	586	686	616
Long Term Investment Fund	106,665	110,834	113,144	114,189	115,095	117,205	119,164	121,171	123,963	126,755	129,142
Total Current Assets	124,494	124,627	126,405	128,626	130,822	132,985	138,748	143,180	145,314	149,525	152,348
NON CURRENT ASSETS											
Long Term Investment Fund	26,666	27,709	28,286	28,547	28,774	29,301	29,791	30,293	30,991	31,689	32,286
Intangible Assets	511	611	511	611	550	500	450	400	350	300	250
Property, Plant and Equipment	908,716	981,525	988,525	996,096	1,098,837	1,102,428	1,114,710	1,249,751	1,249,592	1,247,244	1,409,006
Other Investments	3,566	3,539	3,484	3,426	3,363	3,296	3,224	3,147	8,092	14,068	21,068
Other Assets	0	0	0	0	0	0	0	0	0	0	0
Total Non Current Assets	939,459	1,013,384	1,020,806	1,028,680	1,131,523	1,135,525	1,148,175	1,283,591	1,289,025	1,293,300	1,462,609
Total Assets	1,063,953	1,138,011	1,147,211	1,157,306	1,262,346	1,268,510	1,286,921	1,426,770	1,434,338	1,442,825	1,614,957
CURRENT LIABILITIES											
Other current liabilities	910	970	1,070	990	1,110	1,020	1,100	1,067	1,167	1,077	1,057
Accounts Payable	9,365	8,993	9,287	9,605	9,766	10,230	10,406	10,603	11,139	11,355	11,522
Income Received in Advance	758	429	489	439	469	429	489	449	499	529	449
Current Portion of term liabilities	25,105	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112
Total Current Liabilities	36,138	22,504	22,958	23,146	23,457	23,791	24,107	24,231	24,917	25,073	25,140
NON CURRENT LIABILITIES											
Term Liabilities	102,889	120,033	123,850	128,012	131,741	129,715	137,964	147,578	145,541	144,602	144,485
Landfill Aftercare Provision & Other Liabilities	14,220	17,636	17,593	17,548	17,501	17,453	17,403	17,395	17,395	17,395	17,395

Total Non Current Liabilities	117,109	137,669	141,443	145,560	149,242	147,168	155,367	164,973	162,936	161,997	161,880
Total Liabilities	153,247	160,173	164,401	168,706	172,698	170,959	179,474	189,204	187,852	187,070	187,020
NET ASSETS	910,706	977,837	982,810	988,599	1,089,647	1,097,551	1,107,448	1,237,566	1,246,486	1,255,755	1,427,937
Represented By:											
Accumulated Balances	403,684	487,134	489,641	494,599	502,082	510,029	517,177	526,560	531,394	533,156	536,536
Restricted and Statutory Reserves	1,973	1,983	2,161	2,318	2,472	2,636	2,807	2,985	3,171	3,366	3,570
Investment Revaluation Reserves	36	0	0	0	0	0	0	0	0	0	0
Separate Operating Reserves	3,387	915	1,754	2,194	2,288	640	1,437	298	449	3,770	6,805
Capital Replacement Reserves	160	679	673	912	1,007	1,279	1,866	2,847	3,921	5,147	6,389
Council Created Reserves	150,764	154,698	156,152	156,147	155,976	157,146	158,340	159,844	162,518	165,284	167,351
Asset Revaluation Reserves	350,702	332,429	332,429	332,429	425,821	425,821	425,821	545,032	545,032	545,032	707,286
Total Equity	910,706	977,837	982,810	988,599	1,089,647	1,097,551	1,107,448	1,237,566	1,246,486	1,255,755	1,427,937

TE TAUĀKI PŪTEA TAWHITIROA

PROSPECTIVE STATEMENT OF CASH FLOWS

For the year ended 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASHFLOW FROM OPERATING ACTIVITIES											
Cash will be provided from:											
Rates	42,544	46,129	46,077	47,972	50,033	52,355	54,878	56,758	58,846	60,305	61,638
Dividends	0	0	0	0	0	0	0	0	0	0	0
Interest on Investments	2,090	1,897	1,945	1,989	1,981	2,096	2,170	2,276	2,351	2,408	2,465
Other Revenue	18,924	24,465	23,369	24,354	25,190	26,272	26,919	27,182	27,132	27,346	28,038
Regional Council Rates	2,250	2,200	2,250	2,300	2,350	2,400	2,450	2,500	2,550	2,600	2,650
	65,809	74,691	73,640	76,615	79,554	83,123	86,417	88,715	90,879	92,659	94,791
CASH WILL BE APPLIED TO											
Payments to Suppliers and Employees	43,855	45,782	46,007	48,061	49,145	51,299	52,297	53,403	54,174	56,310	57,833
Agency Rates paid over	2,250	2,200	2,250	2,300	2,350	2,400	2,450	2,500	2,550	2,600	2,650
Provision for landfill aftercare	0	40	43	45	47	48	50	55	0	0	0
Interest paid on loan	5,326	4,286	3,928	4,435	4,054	3,968	4,067	4,345	4,258	4,046	4,012
	51,431	52,307	52,228	54,841	55,596	57,716	58,864	60,303	60,983	62,956	64,495
Net Cash from Operating Activities	14,378	22,383	21,412	21,774	23,958	25,407	27,553	28,412	29,897	29,703	30,296
CASH WILL BE PROVIDED FROM											
Net cash inflow from Investments	4,668	2,984	3,343	5,053	5,169	4,045	4,469	4,755	4,013	4,189	4,871
Total Investing cash provided	4,668	2,984	3,343	5,053	5,169	4,045	4,469	4,755	4,013	4,189	4,871
CASH WILL BE APPLIED TO											
Purchase and Development of Fixed Assets	30,395	46,551	29,069	30,147	32,116	27,989	36,874	40,819	27,772	25,933	27,828
Purchase of Investments	0	0	0	0	0	0	0	0	5,000	6,000	7,000
Total Investing Cash Applied	30,395	46,551	29,069	30,147	32,116	27,989	36,874	40,819	32,772	31,933	34,828
Net Cash from Investing Activities	(25,727)	(43,568)	(25,727)	(25,094)	(26,947)	(23,943)	(32,405)	(36,065)	(28,759)	(27,745)	(29,956)
CASHFLOW FROM INVESTING ACTIVITIES											

Cash will be provided from:

Loans Raised	12,337	23,493	9,178	8,910	8,720	3,150	13,487	15,312	3,521	4,471	5,329
Total Financing Cash Provided	12,337	23,493	9,178	8,910	8,720	3,150	13,487	15,312	3,521	4,471	5,329

CASH WILL BE APPLIED TO

Repayment of Loans	3,773	6,083	5,361	4,747	4,991	5,176	5,238	5,698	5,558	5,410	5,446
Total Financing Cash Applied	3,773	6,083	5,361	4,747	4,991	5,176	5,238	5,698	5,558	5,410	5,446
Net Cash from Financing Activities	8,564	17,411	3,817	4,163	3,728	-2,026	8,250	9,614	-2,037	-939	-117
Net Increase / (Decrease) in Cash Held	(2,785)	(3,773)	(498)	843	740	(563)	3,398	1,961	(899)	1,019	223
Total Cash Resources at 1 July	7,882	5,525	1,752	1,254	2,097	2,837	2,274	5,672	7,633	6,734	7,753
Total Cash Resources at 30 June	5,097	1,752	1,254	2,097	2,837	2,274	5,672	7,633	6,734	7,753	7,976

ALL ABOUT RATES

TEN YEAR PROJECTIONS FOR GENERAL AND TARGETED RATES (INCLUDES AN ALLOWANCE OF INFLATION)

For the year ended 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
RATE											
District Rate*	0.00%	3.75%	4.39%	5.20%	4.72%	4.76%	4.71%	2.14%	2.15%	3.08%	1.39%
General Rate – Cents per \$	0.08783	0.09225	0.09439	0.10004	0.10359	0.10676	0.10740	0.10340	0.10494	0.10430	0.10284
Roading Rate – Cents per \$	0.06789	0.06372	0.06738	0.06979	0.07412	0.07873	0.08610	0.09221	0.09355	0.10098	0.10493
UAGC	\$604	\$663	\$700	\$740	\$776	\$818	\$862	\$896	\$926	\$949	\$965
TARGETED RATES **											
Water Targeted Rate	\$624	\$661	\$690	\$713	\$730	\$759	\$794	\$828	\$863	\$874	\$897
Wastewater Targeted Rate	\$679	\$759	\$834	\$897	\$960	\$1,006	\$1,047	\$1,093	\$1,139	\$1,173	\$1,185
Kerbside Collection Rate	\$265	\$219	\$219	\$219	\$230	\$230	\$230	\$230	\$242	\$253	\$259
Water meter only charge <= 32mm	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Water meter and backflow charge <= 32mm	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260
Water meter only <= 40mm	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175
Water meter and backflow charge <= 40mm	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325
Water meter and backflow charge <= 50mm	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Water meter and backflow charge > 50mm	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630
WATER BY METER RATES PER CUBIC METRE											
Town	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban Water High User	\$2.62	\$2.75	\$2.86	\$2.94	\$3.05	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Urban Water Extra High User	\$2.84	\$2.97	\$3.06	\$3.11	\$3.13	\$3.16	\$3.29	\$3.43	\$3.57	\$3.61	\$3.68
Waimate West/Inaha Water	\$1.08	\$1.10	\$1.13	\$1.16	\$1.22	\$1.28	\$1.33	\$1.40	\$1.46	\$1.48	\$1.51

* The District rate includes the UAGC, general rate and roading rate. The general and roading rates are calculated on the capital value of the property, so each property pays a different amount.

** Targeted rates are uniform charges (every property pays the same amount) with the exception of the water by meter charges which are volumetric (you pay for what you use).

NGĀ TĀKE KAUNIHERA KATOA

RATING EXAMPLES (INCLUDING GST)

Below are seven property examples to show the impact of the rates increases for the next ten years.

URBAN

\$320,000 CAPITAL VALUE - URBAN

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	281.07	295.20	302.06	320.13	331.48	341.64	343.68	330.88	335.79	333.76	329.10
Roading	217.26	203.90	215.61	223.34	237.20	251.95	275.51	295.09	299.35	323.14	335.78
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside Collection	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	2,669.78	2,801.01	2,960.26	3,111.53	3,264.82	3,406.58	3,551.28	3,672.86	3,803.74	3,906.05	3,970.34
Increase each year		131.23	159.25	151.27	153.28	141.76	144.70	121.58	130.88	102.31	64.28
% increase		4.92%	5.69%	5.11%	4.93%	4.34%	4.25%	3.42%	3.56%	2.69%	1.65%

\$480,000 CAPITAL VALUE - URBAN

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	421.60	442.80	453.09	480.19	497.21	512.45	515.52	496.32	503.69	500.64	493.65
Roading	325.89	305.85	323.42	335.02	355.80	377.92	413.27	442.63	449.03	484.71	503.67
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside Collection	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	2,918.94	3,050.56	3,219.10	3,383.27	3,549.15	3,703.37	3,860.87	3,985.85	4,121.31	4,234.50	4,302.78
Increase each year		131.62	168.54	164.17	165.89	154.21	157.51	124.97	135.47	113.19	68.27
% increase		4.51%	5.52%	5.10%	4.90%	4.35%	4.25%	3.24%	3.40%	2.75%	1.61%

ALL ABOUT RATES

URBAN

\$600,000 CAPITAL VALUE - URBAN

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	527.00	553.50	566.36	600.24	621.52	640.57	644.40	620.40	629.61	625.80	617.06
Roading	407.36	382.31	404.27	418.77	444.75	472.40	516.59	553.29	561.29	605.88	629.59
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Kerbside Collection	264.50	218.50	218.50	218.50	230.00	230.00	230.00	230.00	241.50	253.00	258.75
Total Rates	3,105.81	3,237.72	3,413.23	3,587.07	3,762.41	3,925.96	4,093.07	4,220.58	4,359.49	4,480.84	4,552.11
Increase each year		131.91	175.50	173.84	175.34	163.55	167.11	127.51	138.91	121.35	71.27
% increase		4.25%	5.42%	5.09%	4.89%	4.35%	4.26%	3.12%	3.29%	2.78%	1.59%

This does not include all rate examples so if you require further explanation please feel free to contact the Rates Department.

NGĀ TĀKE KAUNIHERA KATOA

**HĀWERA
COMMERCIAL**

\$600,000 CAPITAL VALUE – HĀWERA COMMERCIAL / INDUSTRIAL

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	527.00	553.50	566.36	600.24	621.52	640.57	644.40	620.40	629.61	625.80	617.06
Roading	407.36	382.31	404.27	418.77	444.75	472.40	516.59	553.29	561.29	605.88	629.59
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Water	624.45	661.25	690.00	713.00	730.25	759.00	793.50	828.00	862.50	874.00	897.00
Wastewater	678.50	759.00	833.75	897.00	960.25	1,006.25	1,046.50	1,092.50	1,138.50	1,173.00	1,184.50
Hāwera Business Rate	538.11	542.04	551.25	560.62	569.59	580.42	592.02	605.05	618.97	633.20	647.77
Total Rates	3,379.42	3,561.26	3,745.98	3,929.19	4,102.00	4,276.38	4,455.10	4,595.63	4,736.96	4,861.04	4,941.12
Increase each year		181.84	184.72	183.21	172.81	174.38	178.72	140.54	141.32	124.08	80.08
% increase		5.38%	5.19%	4.89%	4.40%	4.25%	4.18%	3.15%	3.08%	2.62%	1.65%

RURAL

\$8,000,000 CAPITAL VALUE PROPERTY - RURAL

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
General	7,026.64	7,380.04	7,551.51	8,003.13	8,286.91	8,540.89	8,591.99	8,272.07	8,394.82	8,344.03	8,227.42
Roading	5,431.44	5,097.47	5,390.33	5,583.59	5,929.99	6,298.72	6,887.80	7,377.19	7,483.81	8,078.44	8,394.56
UAGC	604.00	663.16	700.34	739.57	775.64	817.74	862.09	896.39	926.10	949.15	965.21
Total Rates	13,062.09	13,140.67	13,642.17	14,326.29	14,992.54	15,657.35	16,341.88	16,545.65	16,804.72	17,371.63	17,587.20
Increase each year		78.58	501.50	684.12	666.25	664.81	684.53	203.77	259.07	566.90	215.57
% increase		0.60%	3.82%	5.01%	4.65%	4.43%	4.37%	1.25%	1.57%	3.37%	1.24%

FINANCIAL PRUDENCE BENCHMARKS

LONG TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2021

WHAT IS THE PURPOSE OF THE STATEMENT?

The purpose of this statement is to disclose the Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

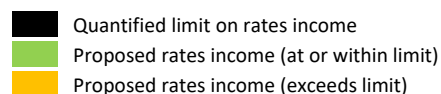
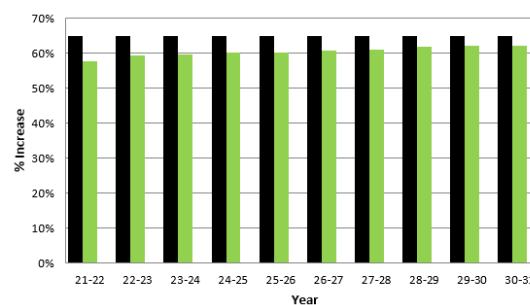
The Council meets the Rates Affordability Benchmark if –

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rate increases equal or are less than each quantified limit on rates increases.

RATES (INCOME) AFFORDABILITY

The following graph compares the Council’s planned rates with a quantified limit on rates contained in the Financial Strategy included in this Long Term Plan. The quantified limit is rates income 65% of total projected revenue.

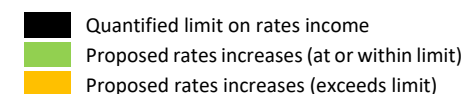
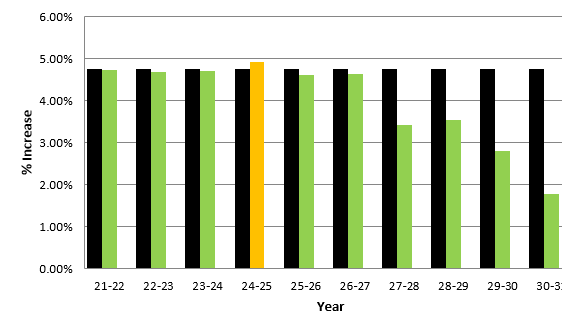
RATES (INCOME) AFFORDABILITY BENCHMARK



RATES (INCREASES) AFFORDABILITY

The following graph compares the Council’s planned rates with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is the Local Government Cost Index (2.75%) plus 2% for growth if applicable.

RATES (INCREASES) AFFORDABILITY BENCHMARK

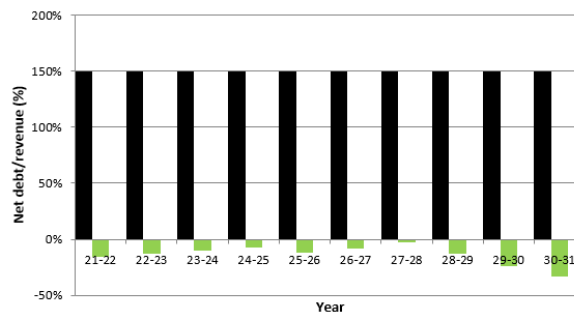


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DEBT AFFORDABILITY

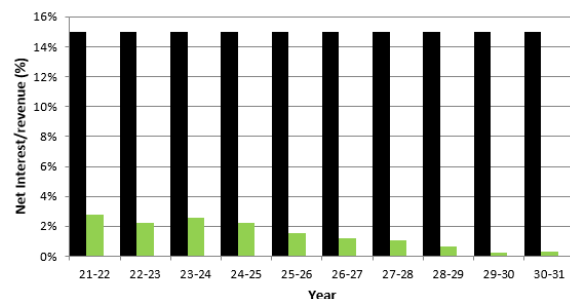
The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit of borrowing. The following four graphs compares the Council’s proposed borrowing stated in the Financial Strategy included in the Council’s Long Term Plan. These four graphs are based on Council’s definitions and not the legislation.

1. THE QUANTIFIED LIMIT IS NET DEBT LESS THAN 150% OF REVENUE



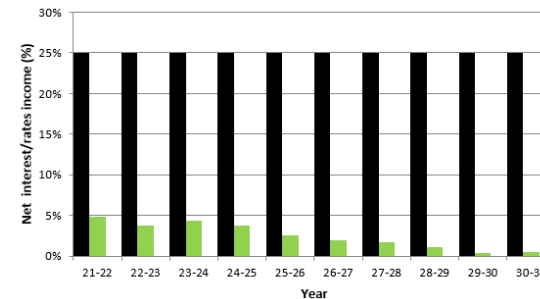
- Quantified limit on debt
- Proposed net debt/revenue (at or within limit)
- Proposed net debt/revenue (over limit)

2. NET INTEREST EXPENSE AS A PERCENTAGE OF TOTAL ANNUAL INCOME OF NOT MORE THAN 15%



- Quantified limit on debt
- Proposed net interest/revenue (at or within limit)
- Proposed net interest/revenue (over limit)

3. NET INTEREST EXPENSE AS A PERCENTAGE OF TOTAL ANNUAL RATES INCOME OF NOT MORE THAN 25%



- Quantified limit on debt
- Proposed net interest/rates revenue (at or within limit)
- Proposed net interest/rates revenue (over limit)

FINANCIAL PRUDENCE BENCHMARKS

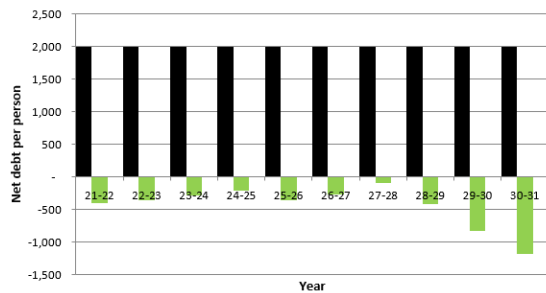
BALANCED BUDGET BENCHMARK

The following graphs displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

ESSENTIAL SERVICES BENCHMARK

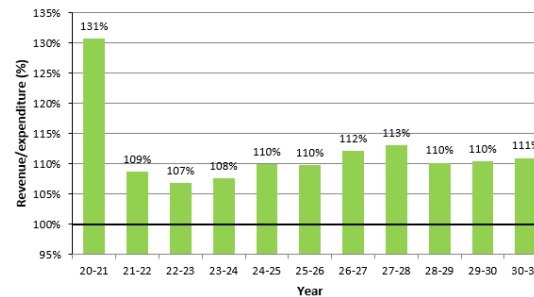
The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential benchmark if its planned capital expenditure on network services equal or is greater than expected depreciation on network services.

4. NET DEBT PER CAPITA IS LESS THAN \$2,000 PER PERSON



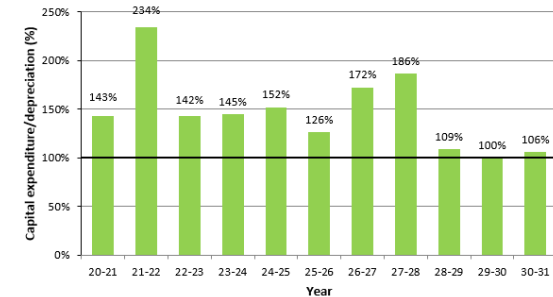
- Quantified limit on debt
- Proposed net debt per person (at or within limit)
- Proposed net debt per person (over limit)

BALANCED BUDGET BENCHMARK



- Benchmark met
- Benchmark not met

ESSENTIAL SERVICES BENCHMARK



- Benchmark met
- Benchmark not met

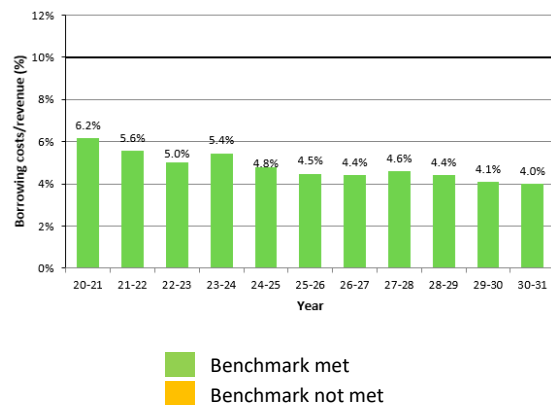
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DEBT SERVICING BENCHMARK

The following graphs displays the Council’s planned borrowing costs as a proportion of planned revenue (excludes development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs is equal or less than 10% of its planned revenue.

Explanation: The Council is proposing to use an additional subsidy from the LTIF to pay for Urban Growth Projects and for Regulatory Earthquake Prone Building Projects. As a result the Council is proposing to borrow \$12.6m of external debt which results in the Council exceeding the above limit. The Council is comfortable that the forecast debt levels are sustainable and they are well within the Council’s Liability Management Policy limits.

DEBT SERVICING BENCHMARK



CAPITAL PROJECTS PROGRAMME

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Water Supply - Urban											
13125	Resource Consent Renewals - Urban	174,900	191,097	0	0	0	366,900	0	130,400	134,800	347,500
70010	Urban Water Supply Reticulation Renewals LTP21-31 budgethold	2,120,000	1,316,400	1,689,000	2,312,000	2,975,000	3,057,500	2,524,000	2,608,000	4,044,000	4,170,000
71010	Pipework capital upgrades	0	0	0	0	59,500	61,150	0	0	0	0
71013	Additional trunk main metering	0	0	0	0	119,000	0	0	0	0	0
71015	Demand management	190,800	197,460	202,680	57,800	59,500	61,150	63,100	65,200	67,400	69,500
71016	Water filling stations	0	0	0	0	41,650	0	0	0	0	0
71017	Scott Street generator & pump	0	0	0	404,600	0	0	0	0	0	0
71018	Patea low pressure issues	265,000	274,250	0	0	0	0	0	0	0	0
71019	Ohawe reservoir-to-PRV upgrade	159,000	0	0	0	0	0	0	0	0	0
71020	Normanby resilience	0	0	0	0	0	0	126,200	2,608,000	0	0
71021	Turuturu Rd water supply issues	106,000	309,217	317,391	0	0	0	0	0	0	0
71022	Eltham flushing enhancements	0	0	0	0	148,750	0	0	0	0	0
71025	Hawera Residential Development Water Infrastructure	0	0	140,750	144,500	148,750	152,875	0	0	0	0
72002	South Taranaki Business Park Water Supply Mains	217,694	225,293	231,249	381,480	392,700	403,590	0	0	0	0
73010	Urban Water Treatment Renewals	265,000	274,250	281,500	289,000	297,500	305,750	315,500	326,000	337,000	347,500
74010	Urban Water Treatment Capital	138,860	87,760	135,120	57,800	95,200	110,070	63,100	39,120	40,440	55,600
74012	Opunake discolouration issues	0	0	0	0	0	0	757,200	0	0	0
74014	Patea WTP treatment enhancement WSP action	1,828,500	795,325	0	0	0	0	0	0	0	0
74016	Opunake reservoir 2	0	109,700	1,801,600	0	0	0	0	0	0	0
74017	Eltham bore	106,000	1,535,800	0	0	0	0	0	0	0	0
74018	Kapuni borehole 2	0	0	337,800	2,080,800	0	0	0	0	0	0
74019	Waverley reservoir 2	0	0	56,300	578,000	0	0	0	0	0	0
74020	Waverley replacement bore	0	0	0	0	1,428,595	0	0	0	0	0
74021	Replacement Rahotu reservoir	0	0	0	0	0	0	504,800	0	0	0
74022	Opunake Coag Optimisation	53,000	548,500	0	0	0	0	0	0	0	0
74023	Kapuni inlet screen replacement (Vector-Todd 26.5% contribut	53,000	109,700	0	0	0	61,150	315,500	0	0	0
74024	Replace Rahotu treatment building	0	0	0	0	0	0	0	521,600	0	0
74025	Reservoir ladders - Urban	41,340	42,783	43,351	0	0	0	0	0	0	0
	Carry-overs from 2020-21	2,437,418	0	1,053,600	0	0	0	0	0	0	0

Total Urban	8,156,512	6,017,535	6,290,341	6,305,980	5,766,145	4,580,135	4,669,400	6,298,320	4,623,640	4,990,100
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TE IHIRANGI TAKE WHAIRAWA

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Stormwater											
15340	Stormwater Reticulation CCTV	106,000	109,700	112,600	115,600	119,000	0	0	0	0	0
90010	Stormwater Renewals LTP21-31 budgetholder	159,000	164,550	281,500	289,000	297,500	305,750	365,980	378,160	390,920	403,100
92012	Resolve Matangara landfill drainage culvert issues	238,500	246,825	0	0	0	0	0	0	0	0
92013	Resolve Weld St, Normanby, flooding issues	0	0	281,500	0	0	0	0	0	0	0
92014	Stormwater modelling when LIDAR available	0	0	0	61,268	52,360	53,812	0	0	0	0
92015	South Taranaki Business Park stormwater	575,989	596,094	611,855	652,331	671,517	690,139	0	0	0	0
92020	Hawera Residential Development SW Infrastructure	0	0	140,750	144,500	148,750	152,875	0	0	0	0
	Carry-overs from 2020-21	895,676	0	0	0	0	0	0	0	0	0
	Total Stormwater	1,975,165	1,117,169	1,428,205	1,262,699	1,289,127	1,202,576	365,980	378,160	390,920	403,100

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Water Supply - Waimate West & Inaha											
74013	Water treatment plant fencing-Inaha	132,500	0	0	0	0	0	0	0	0	0
76010	Waimate West/Inaha Retic Renewals	1,590,000	1,316,400	1,689,000	1,387,200	1,428,000	1,467,600	1,514,400	1,564,800	1,617,600	1,668,000
76510	Construction of Kaponga & Manaia water filling stations	0	0	0	0	0	85,610	0	0	0	0
76512	Trunk main duplication	0	0	0	57,800	2,380,000	0	0	0	0	0
76513	Pipe bridge structural condition assessments-Waimate West	42,400	43,880	45,040	0	0	0	0	0	0	0
76514	Replace WW reservoir 1	0	0	0	0	0	1,223,000	3,786,000	3,912,000	0	0
77010	Rural Water Treatment Plant renewals	137,800	142,610	146,380	150,280	154,700	158,990	164,060	169,520	175,240	180,700
77011	Waimate West Mangawhero abstraction consent RC0635-3	212,000	0	0	0	0	0	0	0	0	0
77510	Backwash pond sludge disposal as per WSP	530,000	219,400	0	0	0	0	0	0	0	0
77512	Critical pipeline bridges - vegetation removal	0	0	67,560	0	0	0	0	0	0	0
77514	Process resilience improvements project	106,000	0	225,200	0	0	0	0	0	0	0
77515	Reservoir ladders - Rural	41,340	42,783	43,351	0	0	0	0	0	0	0
78510	Kapuni-Inaha transfer line enhancement	0	0	168,900	0	0	0	0	0	0	0
78511	Inaha Reservoir 1 floor rehabilitation	53,000	383,950	0	0	0	0	0	0	0	0
79511	Backwash recycling & filter renewal	0	0	112,600	2,312,000	0	0	0	0	0	0
	Carry-overs from 2020-21	4,845,709	0	0	0	0	0	0	0	0	0

Total Waimate West & Inaha	7,690,749	2,149,023	2,498,031	3,907,280	3,962,700	2,935,200	5,464,460	5,646,320	1,792,840	1,848,700
Total Water Supply	13,409,843	8,166,558	7,734,772	10,213,260	9,728,845	7,515,335	10,133,860	11,944,640	6,416,480	6,838,800

CAPITAL PROJECTS PROGRAMME

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Wastewater											
10074	Hawera WWTP - Desludge Anerobic Lagoon	0	783,258	0	0	0	0	1,893,000	0	0	0
13091	Patea bank planting/stabilization	53,000	274,250	0	0	0	0	0	0	0	0
13102	Hawera WWTP track renewals	0	0	0	0	0	0	0	0	0	65,678
15362	WWTP screen replacement	106,000	0	112,600	115,600	0	122,300	126,200	0	0	139,000
15402	Manaia wwtp wetland renewal	0	0	0	0	0	0	0	0	67,400	208,500
15420	Consent Renewals	84,800	32,910	33,780	34,680	0	244,600	504,800	39,120	40,440	41,700
15425	Hawera WWTP Transformer Upgrade	0	0	0	0	217,413	0	0	0	0	0
80003	Wastewater Reticulation Rehabilitation (place holder only)	1,272,000	1,316,400	1,351,200	1,387,200	856,800	880,560	908,640	938,880	970,560	1,000,800
84003	Wastewater Network Model Development	21,200	21,940	5,630	5,780	5,950	6,115	61,838	6,520	6,740	6,950
84015	Hawera Residential Development WW Infrastructure	0	0	281,500	289,000	297,500	305,750	0	0	0	0
85010	South Taranaki Business Park wastewater	614,800	636,260	653,080	285,147	293,534	301,673	0	0	0	0
86001	Oxidation Pond Desludging and Sludge Survey	107,611	177,187	56,300	115,600	119,000	122,300	126,200	130,400	134,800	139,000
86006	Patea WWTP - Waveband	53,000	219,400	0	0	0	97,840	0	0	0	0
86010	Wastewater Treatment Renewals LTP21-31 budgetholder	212,000	219,400	337,800	115,600	119,000	122,300	315,500	130,400	134,800	139,000
87003	Wastewater Health and Safety Improvements	11,660	12,067	12,386	12,716	13,090	13,453	13,882	14,344	14,828	15,290
87004	Fencing at Patea WWTP	47,700	0	0	0	0	0	0	0	0	0
87010	Wastewater Plant BPO studies	159,000	0	0	231,200	0	0	0	0	0	0
87011	Remove Hawera WWTP house off site	15,900	0	0	0	0	0	0	0	0	0
87012	Waverley tertiary WWTP	0	329,100	1,126,000	1,156,000	0	0	0	0	0	0
87013	Opke wetland soakage field enhancements	0	0	90,080	578,000	0	0	0	0	0	0
87014	Hawera tertiary WWTP	0	0	0	0	1,071,000	11,924,250	12,304,500	0	0	0
87015	Patea tertiary WWTP	0	0	0	0	0	0	0	652,000	2,696,000	2,780,000
87016	Kaponga tertiary WWTP	0	0	0	0	0	0	0	0	707,700	729,750
87017	Manaia tertiary WWTP	0	0	0	0	0	0	0	0	707,700	729,750
87018	Mechanical aeration at Opunake WWTP	0	0	0	0	0	0	0	0	0	278,000
87020	Fencing at Eltham WWTP	0	60,335	0	0	0	0	0	0	0	0
	Carry-overs from 2020-21	843,272	0	0	0	0	0	0	0	0	0

	Total Wastewater	3,601,943	4,082,507	4,060,356	4,326,523	2,993,287	14,141,141	16,254,560	1,911,664	5,480,968	6,273,418
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TE IHIRANGI TAKE WHAIRAWA

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Solid Waste											
10153	Hawera Transfer Station Renewals	78,440	112,991	28,150	23,120	1,190	67,265	6,310	52,160	0	0
19242	Storage Shed - Hawera Transfer Station	26,500	0	0	0	0	0	0	0	0	0
19243	Wastewater Pump Station - Hawera Transfer Station	0	0	0	11,560	0	0	0	0	0	0
22002	Public Place Recycling Bins	21,200	21,940	22,520	11,560	11,900	12,230	6,310	6,520	6,740	6,950
22057	Rotokare Farm Structures - Proliq Concrete Pad	0	21,940	0	0	0	0	0	0	0	0
22058	Rotokare Farm Structures - Replace Roller Door (Farm Shed)	0	0	4,729	0	0	0	0	0	0	0
22059	Rotokare Farm Services - Replace Switchboards at Cowshed &	8,915	0	0	0	0	0	0	0	0	0
22060	Rotokare Farm Plant - Backing Gate & Motors	13,780	0	0	0	0	0	0	0	0	0
22061	Rotokare Farm Plant - Milk Chilling Vat	15,900	0	0	0	0	0	0	0	0	0
22062	Rotokare Farm - Bathroom & Kitchen Extraction Fans	0	0	1,239	0	0	0	0	0	0	0
22063	Rotokare Farm - Heat Pump Replacement	0	0	9,008	0	0	0	0	0	0	0
22064	Rotokare Farm Plant - Generator	0	0	12,949	0	0	0	0	0	0	0
22065	Rotokare Farm - Replacement Stove	0	0	0	0	2,380	0	0	0	0	0
22066	Rotokare Farm - Effluent System & Pond Lining	106,000	0	0	0	0	0	0	0	0	0
22067	Rotokare Farm - Matting in Pit	0	3,291	0	0	0	0	0	0	0	0
22068	Rotokare Farm - New Calf Shed	0	0	0	38,148	0	0	0	0	0	0
22133	Roof protection over Hwa transfer station	15,900	367,495	0	0	0	0	0	0	0	0
22136	Rotokare Farm Plant - 2x water heaters for milking shed	8,480	0	0	0	0	0	0	0	0	0
	Total Solid Waste	295,115	527,657	78,595	84,388	15,470	79,495	12,620	58,680	6,740	6,950

CAPITAL PROJECTS PROGRAMME

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Roading & Footpaths (includes Road Safety)											
5212	Sealed Road Resurfacing	2,375,900	2,449,500	2,523,100	2,596,700	2,672,600	2,748,500	2,829,000	2,911,800	2,994,600	3,082,000
5213	Drainage Renewals	665,355	685,967	706,578	727,189	748,444	769,700	792,243	815,431	838,618	863,094
5214	Pavement Rehabilitation	2,427,550	2,502,750	2,577,950	2,653,150	2,730,700	2,808,250	2,890,500	2,975,100	3,059,700	3,149,000
5215	Structures Component Replacement	0	0	0	0	0	0	0	0	0	0
5222	Traffic Services Renewal	289,240	298,200	307,160	316,120	325,360	334,600	344,400	354,480	364,560	375,200
5225	idised Footpath Renewal	698,308	719,940	741,572	763,204	785,512	807,820	831,480	855,816	880,152	905,840
5323	New Roads and structures	0	0	0	0	0	0	0	0	0	0
5324	LED street light conversion	0	0	0	0	0	0	0	0	0	0
5325	Rotokare Road Int upgrade	0	0	0	0	0	0	0	0	0	0
5341	Minor Improvements	1,952,370	2,012,850	2,073,330	2,133,810	2,196,180	2,258,550	2,324,700	2,392,740	2,460,780	2,532,600
5452	Walking & Cycling Facilities -	0	0	0	0	0	0	0	0	0	0
6012	CBD - Open Space Project - Capex	0	0	0	0	0	0	0	0	0	0
6013	South Taranaki Business Park Roading	638,297	658,070	677,843	575,790	592,620	609,450	0	0	0	0
6030	Footpaths	0	0	0	0	0	0	0	0	0	0
6033	Walking & Cycling Facilities -	0	0	0	0	0	0	0	0	0	0
6081	Professional Services Renewals	0	0	0	0	0	0	0	0	0	0
6111	Street Lighting Renewals	12,396	12,780	13,164	13,548	13,944	14,340	14,760	15,192	15,624	16,080
6141	Vehicle Crossings Capex	0	0	0	0	0	0	0	0	0	0
6901	Urban Growth Strategy - Hawera	0	0	0	0	0	0	0	0	0	0
6902	Urban Growth Strategy - Normanby	0	0	0	0	0	0	0	0	0	0
	Carry-overs from 2020-21	4,638,902	0	0	0	0	0	0	0	0	0
	Total Roading & Footpaths	13,698,318	9,340,056	9,620,697	9,779,511	10,065,360	10,351,210	10,027,083	10,320,559	10,614,034	10,923,814

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Cemeteries											
22089	Cemetery lowering device replacement	0	19,080	0	0	0	0	0	0	0	0
22090	Cemetery mats renewals	2,580	0	0	2,780	0	0	2,993	0	0	3,225
22091	New concrete berms	8,256	8,480	8,688	8,896	9,120	9,344	9,576	9,824	10,080	10,320
22092	Opunake Cemetery extension	25,800	0	0	0	0	0	0	0	0	0
22093	Waihi Cemetery extension	0	26,500	0	0	0	0	0	0	0	0
22094	Kaponga Cemetery entrance renewal	15,480	0	0	0	0	0	0	0	0	0
Total Cemeteries		52,116	54,060	8,688	11,676	9,120	9,344	12,569	9,824	10,080	13,545

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Halls											
15190	Manaiia Hall - Refurbishment	258,000	0	0	0	0	0	0	0	0	0
19412	Hawera Community Centre - Replace TWO dishwashers	0	0	0	0	0	3,504	0	0	0	0
19413	Hawera Memorial Theatre - Outdoor lightingLED upgrade	0	0	0	11,120	0	0	0	0	0	0
19416	Normanby Hall - Vinyl Replacement	13,416	0	0	0	0	0	0	0	0	0
22095	Upgrade Kaponga Hall lights to LED	4,128	0	0	0	0	0	0	0	0	0
22096	Community Centre - drapes in Hall	0	53,000	0	0	0	0	0	0	0	0
22097	Community Centre - drapes in Lounges	15,480	0	0	16,680	0	0	0	0	0	0
22098	Eltham Town Hall Building Compliance	30,960	180,200	0	0	0	0	0	0	0	0
22099	Community Centre - replace tables	4,128	0	0	0	4,560	0	0	0	0	0
22100	Normanby Hall security lighting	2,580	0	0	0	0	0	0	0	0	0
22101	Normanby Hall carparking	0	21,200	0	0	0	0	0	0	0	0
Carry-overs from 2020-21		202,776	485,375	0							
Total Halls		531,468	739,775	0	27,800	4,560	3,504	0	0	0	0

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Parks, Reserves & Public Spaces											
15110	King Edward Park Gates Renewal	0	0	108,600	0	0	0	0	0	0	0
15112	All Playgrounds - Softfall	0	217,300	0	0	233,700	0	0	251,740	0	0
15151	Water Blaster Trailer - Replacement	0	0	13,032	0	0	0	0	0	0	0
15189	Horticultural Renewals	22,188	22,790	23,349	23,908	24,510	25,112	25,736	26,402	27,090	27,735
19440	Parks Furniture - District Wide	4,128	4,240	4,344	4,448	4,560	4,672	4,788	4,912	5,040	5,160
19470	Playground Upgrades - District Wide	0	116,600	0	122,320	0	128,480	0	135,080	0	141,900
19480	Fence Replacement - District Wide	8,256	8,480	8,688	8,896	9,120	9,344	9,576	9,824	10,080	10,320
19485	District Park Signage Replacement and Refurbishment	3,096	3,180	3,258	3,336	3,420	3,504	3,591	3,684	3,780	3,870
19488	Taylor Park - Dog leash free fencing	10,320	0	0	0	0	0	0	0	0	0
22102	Replace ride-on mower	0	0	32,580	0	0	0	0	0	0	38,700
22103	Replace Kubota Tractor	0	0	0	0	0	0	17,955	0	0	0
22104	Replace Chipper/Shredder	0	0	16,290	0	0	0	0	0	0	19,350
22105	KEP replace greenhouse	0	26,500	0	0	0	0	0	0	0	0
22106	Te Ngutu o Te Manu footbridge	10,320	0	0	0	0	0	0	0	0	0
22108	Bridger Park - Bridge Renewal	5,160	31,800	0	0	0	0	0	0	0	0
22109	Dallison Park - Arena Fencing	0	0	43,440	0	0	0	0	0	0	0
22110	Dallison Park - Concrete around grandstand	7,740	0	21,720	0	0	0	0	0	0	0
22111	District Garden & Tree Labelling	0	3,180	0	0	0	0	0	0	0	0
22112	KEP High Street entrance angle parking	0	0	0	0	34,200	0	0	0	0	0
22113	Bridger Park - Lighting upgrade	8,256	0	0	0	0	0	0	0	0	0
22114	Bin Replacements 2021-2031 District-wide	3,715	3,816	3,910	4,003	4,104	4,205	4,309	4,421	4,536	4,644
22115	Lake Rotokare - water supply upgrade	7,224	0	0	0	0	0	0	0	0	0
22116	Lake Rotokare - Boat Ramp retaining repairs	5,160	0	0	0	0	0	0	0	0	0
22117	Opunake BMX Track re-development	3,612	4,240	0	0	0	0	0	0	0	0
22131	Opunake Beach M/Plan - Dune mgmt plan; foreshore furniture	56,760	0	0	0	0	0	0	0	0	0
22132	Opunake Beach M/Plan - Zig-zag track upgrade; external shower	0	37,100	0	0	0	0	0	0	0	0
Total Parks, Reserves & Public Spaces		155,935	479,226	279,211	166,911	313,614	175,317	65,955	436,063	50,526	251,679

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Rural Swimming Pools											
15066	Rural Pools Waverley - Replace distribution spargers in	0	0	36,407	0	0	0	0	0	0	0
15067	Rural Pools Waverley - Build new floor in main pool	0	0	105,094	0	0	0	0	0	0	0
15068	Rural Pools Waverley - Renew water treatment plant and	0	0	119,247	0	0	0	0	0	0	0
22127	Rural Pools - Plant Renewals LTP21-31	30,960	31,800	32,580	33,360	34,200	35,040	35,910	36,840	37,800	38,700
22128	Rawhitiroa Pool - Separate staff amenities	0	15,900	0	0	0	0	0	0	0	0
	Carry-overs from 2020-21	323,899	0	0	0	0	0	0	0	0	0
Total Rural Swimming Pools		354,859	47,700	293,329	33,360	34,200	35,040	35,910	36,840	37,800	38,700

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Aquatic Centre											
22125	Aquatic Centre - Plant Renewals LTP21-31	61,920	63,600	65,160	66,720	68,400	70,080	71,820	73,680	75,600	77,400
22126	Aquatic Centre - Separate staff amenities	25,800	0	0	0	0	0	0	0	0	0
Total Aquatic Centre		87,720	63,600	65,160	66,720	68,400	70,080	71,820	73,680	75,600	77,400

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - TSB Hub											
22011	Reseal Indoor Courts	0	0	0	166,800	0	0	0	0	0	0
22012	TSB Hub LTP 21-31 Capital Renewals	51,600	53,000	54,300	55,600	57,000	58,400	59,850	61,400	63,000	64,500
22013	Change Court 3 to LED Lighting	0	37,100	0	0	0	0	0	0	0	0
22014	Re-carpet Hall of Fame	0	0	43,440	0	0	0	0	0	0	0
22015	Outside Grandstand Seating Replacement	0	53,000	0	0	0	0	0	0	0	0
22016	Replacement of Air Conditioning Units	0	0	32,580	0	34,200	0	35,910	0	0	0
22017	Complete Sound System Upgrade	30,960	0	0	0	0	0	0	0	0	0
22023	Recladding of Cricket Pavilion	30,960	0	0	0	0	0	0	0	0	0
22024	Replacement of High Jump Turf	0	0	0	14,456	0	0	0	0	0	0
Total TSB Hub		113,520	143,100	130,320	236,856	91,200	58,400	95,760	61,400	63,000	64,500

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Public Toilets											
15244	Toilet Replacement - Patea Egmont Street	0	0	0	55,600	302,100	0	0	0	0	0
19585	Ohawe Beach - replace Toilets	0	21,200	108,600	0	0	0	0	0	0	0
22124	Aotea Park - renew water line to toilets	2,580	0	0	0	0	0	0	0	0	0
	Carry-overs from 2020-21	218,852	0	0	0	0	0	0	0	0	0
Total Public Toilets		221,432	21,200	108,600	55,600	302,100	0	0	0	0	0

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Corporate Activities - Support Services											
11205	Records Management & Compliancy	12,324	12,636	12,924	13,212	13,500	13,800	14,100	14,412	14,724	15,048
13556	IT Hardware	61,312	426,465	420,030	160,746	230,625	310,500	418,300	253,411	407,364	199,386
15034	Fleet Vehicles	349,180	424,359	358,641	295,068	85,500	394,450	377,175	336,280	445,401	248,292
16214	Aircon/Heat Pump Renewal	0	10,486	0	0	0	0	0	0	0	0
19376	Aerial Photos LTP 2018/28	35,945	0	0	38,535	0	0	41,125	0	0	43,890
19560	Headquarters Airconditioning Replacement	8,714	0	9,138	175,598	81,865	0	101,896	0	0	0
19562	Headquarters Lift Replacement	66,755	0	0	0	0	0	0	0	0	0
19764	Fleet Vehicles-New	43,134	0	0	0	0	0	0	0	0	0
22007	Hawera HQ Renewals - Services	0	18,282	14,859	0	0	0	0	0	0	0
22008	Hawera HQ Renewals - Internal Fittings	2,054	10,486	2,154	2,202	4,500	6,900	2,350	2,402	2,454	2,508
22009	Hawera HQ Renewals - Plant Replacement	1,541	1,580	1,616	1,652	1,688	1,725	1,763	1,802	1,841	1,881
22010	Automatic Door replacement - Hawera HQ	0	0	0	11,581	0	0	0	0	0	0
22080	Digital Property File Quality Control	62,647	64,233	0	0	0	0	0	0	0	0
22081	Digital Transformation	308,100	315,900	1,077,000	1,101,000	450,000	0	0	0	0	0
22082	Enterprise Video Conferencing	71,890	0	0	0	0	0	0	0	0	0
22083	E-signatures	51,350	0	0	0	0	0	0	0	0	0
22084	Improve Security - Cyber	56,485	0	0	0	0	0	0	0	0	0
22086	Making Archives Storage Compliant	20,540	21,060	21,540	0	0	0	0	0	0	0
22087	Microfiche Digitisation	30,810	0	0	0	0	0	0	0	0	0
22088	Minute Book Scanning	0	0	161,550	0	0	0	0	0	0	0

Total Support Services	1,182,781	1,305,486	2,079,452	1,799,594	867,678	727,375	956,709	608,307	871,784	511,005
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TE IHIRANGI TAKE WHAIRAWA

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Corporate Activities - Corporate Property											
14231	Centennial Close Rentals - Renewals	0	8,480	20,884	41,144	0	0	0	0	0	0
15186	Hawera I Site - replace carpet	0	12,744	0	0	0	0	0	0	0	0
16200	Council Owned Property - EPB Remedial Work	670,800	689,000	0	0	0	0	0	0	0	0
17010	Testing & Removal of Asbestos	26,335	5,300	5,826	0	0	0	0	0	0	0
19558	Sundry Property District Wide Fencing Replacement	5,160	5,300	5,430	5,560	5,700	5,840	5,985	6,140	6,300	6,450
19563	Earthquake Prone Buildings - DSA	51,600	53,000	54,300	0	0	0	0	0	0	0
22019	Leased Property - Fence Replacement	38,700	6,625	13,575	6,950	7,125	7,300	7,481	7,675	7,875	8,063
22021	Eltham Sundry Property - Roof Replacement	30,960	0	0	0	0	0	0	0	0	0
22022	Eltham Sundry Property - Structure	30,960	0	0	0	0	0	0	0	0	0
22079	Cinema 2 Plant Replacement LTP 21-31	0	0	0	0	0	0	7,871	0	0	0
Total Corporate Property		854,515	780,449	100,015	53,654	12,825	13,140	21,338	13,815	14,175	14,513
Carry-overs from 2020-21		671,046		30,688							
Total Corporate Activities		2,708,342	2,085,936	2,210,155	1,853,248	880,503	740,515	978,046	622,122	885,959	525,518

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Housing for the Elderly											
13401	Pensioner housing renewals	0	154,868	101,265	166,983	68,561	128,451	195,100	97,820	12,600	30,333
Carry-overs from 2020-21		200,000	143,283	0	0	0	0	0	0	0	0
Total Housing for the Elderly		200,000	298,151	101,265	166,983	68,561	128,451	195,100	97,820	12,600	30,333

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Facilities - Campgrounds											
19272	Hawera Holiday Park - furniture and chattels renewals	3,302	3,392	3,475	3,558	3,648	3,738	3,830	3,930	4,032	4,128
19494	Waiinu Beach - New Drainage	20,991	0	0	0	0	0	0	0	0	0
19750	Hawera Holiday Park - Replace carpet and vinyl	36,120	0	0	0	0	0	0	0	0	0
22077	Opunake Beach Holiday Park Plant Replacement LTP21-31	8,256	8,480	4,453	4,559	4,674	4,789	4,908	5,035	5,166	5,289
22078	Opunake Beach Holiday Park Hard Surface Resealing	0	0	0	0	0	0	14,364	0	0	0
22118	Hwa Holiday Pk - replace washing machines/dryer	4,644	0	7,602	0	0	0	0	0	0	0
22119	Hwa Holiday Pk - replace large fridge/freezers in kitchen	0	0	0	0	2,850	0	0	3,070	0	0
22120	Waverley Beach amenities upgrade	51,600	212,000	0	0	0	0	0	0	0	0
22121	Waverley Beach amenities effluent field	10,320	0	0	0	0	0	0	0	0	0
22122	Patea Dam boundary fence	6,192	0	0	0	0	0	0	0	0	0
22123	Hawera Holiday Park - external water taps for sites	5,160	0	0	0	0	0	0	0	0	0
	Carry-overs from 2020-21	71,973	0	0	0	0	0	0	0	0	0
	Total Campgrounds	218,558	223,872	15,530	8,118	11,172	8,526	23,102	12,034	9,198	9,417
	Total Community Facilities	991,027	1,442,655	1,002,102	774,024	902,927	488,662	500,216	727,661	258,804	485,574

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Project No.	Project Name	2021/2 2	2022/2 3	2023/2 4	2024/2 5	2025/2 6	2026/2 7	2027/2 8	2028/2 9	2029/3 0	2030/3 1
Arts & Culture - LibraryPlus											
13273	Opunake Library - replace veranda roof	0	0	0	26,838	0	0	0	0	0	0
15262	Opunake heatpump replacement	22,136	0	0	0	0	0	0	0	0	27,671
15267	Eltham re-roof	0	0	0	26,154	0	0	0	0	0	0
15269	Eltham carpet and vinyl	0	0	0	0	0	43,800	0	0	0	0
15272	Kaponga carpet and vinyl	0	0	0	0	0	0	0	0	0	26,832
15279	Patea heatpump replacement	0	0	16,833	0	0	0	0	0	0	0
19441	Replacement of large TV screen	0	0	0	0	22,800	0	0	0	0	0
19442	Eltham LibraryPlus Heatpump Replacement	0	0	13,032	0	0	0	0	0	0	0
19446	Patea LibraryPlus Carpet & Vinyl	0	0	0	0	18,240	6,541	0	0	0	60,372
19448	LibraryPlus Furniture - District Wide	22,353	22,960	23,523	24,086	24,692	25,299	25,927	26,598	27,292	27,941
19449	LibraryPlus Signage - District Wide	0	0	0	0	0	0	0	0	0	19,350
22075	Eltham Library Fence Replacement	0	0	0	0	0	0	0	7,982	0	0
22076	Eltham Library Carpark	0	0	0	50,040	0	0	0	0	0	0
62201	Adults Non Fiction	55,947	57,465	58,874	60,284	61,802	63,320	64,892	66,572	68,307	69,933
62202	Adults Fiction	74,250	76,265	78,136	80,006	82,021	84,035	86,122	88,352	90,654	92,813
62203	Large Print	34,268	35,197	36,061	36,924	37,854	38,783	39,746	40,776	41,838	42,834
62204	Childrens	51,401	52,795	54,090	55,385	56,780	58,175	59,619	61,163	62,757	64,251
62205	Graphics	5,160	5,300	543	5,560	5,700	5,840	5,985	6,140	6,300	6,450
62211	E-books	21,732	22,321	22,869	23,417	24,006	24,596	25,206	25,859	26,533	27,165
62212	Te Ramanui book purchases	25,800	53,000	21,720	0	0	0	8	0	0	0
	Total Arts & Culture	313,047	325,303	325,681	388,694	333,895	350,388	307,506	323,443	323,681	465,613

CAPITAL PROJECTS PROGRAMME

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
District Economy - Economic Development											
15910	Hawera Library, Arts, Culture & Heritage Centre	338,910	579,150	0	0	0	0	0	0	0	0
15911	Hawera Town Centre Development	1,027,000	0	0	0	0	0	0	0	0	0
15914	Hawera Town Centre Projects Professional Fees	513,500	0	0	0	0	0	0	0	0	0
22027	Wav Town M/Plan - Mainstreet Public Safety & Amenity	0	31,590	290,790	0	0	0	0	0	61,350	0
22028	Wav Town M/Plan - Public Art	205,400	0	0	0	0	0	0	0	184,050	0
22029	Wav Town M/Plan - Wayfinding/Storytelling Signage	20,540	0	0	0	11,250	0	0	0	24,540	0
22030	Wav Town M/Plan - Beach Connection Pathway	0	0	32,310	660,600	0	0	0	0	0	0
22031	Wav Town M/Plan - Town Belt Pathway	0	0	0	0	0	0	23,500	450,375	0	0
22032	Patea Town M/Plan - Mainstreet Public Safety and Amenity	0	52,650	376,950	0	0	92,000	0	0	0	62,700
22033	Patea Town M/Plan - Public Art	0	0	129,240	0	0	0	164,500	0	0	0
22034	Patea Town M/Plan - Wayfinding/Storytelling Signage	0	0	21,540	0	0	23,000	0	0	0	18,810
22035	Patea Town M/Plan - Gateway Entrance	0	0	0	220,200	0	0	0	0	0	0
22036	Patea Town M/Plan - Beach Upgrade	0	0	0	0	0	0	182,125	0	0	0
22037	Patea Town M/Plan - Town Heart South (Chester St area)	0	0	0	0	0	0	0	60,050	460,125	470,250
22038	Eltham Town M/Plan - Mainstreet Public Safety and Amenity	38,513	355,388	80,775	0	0	0	0	0	0	100,320
22039	Eltham Town M/Plan - Public Art	0	0	0	165,150	0	0	0	0	0	163,020
22040	Eltham Town M/Plan - Wayfinding/Storytelling Signage	0	21,060	0	0	0	23,000	0	0	0	12,540
22041	Eltham Town M/Plan - Gateway Entrance	0	0	0	0	0	0	0	120,100	0	0
22042	Eltham Town M/Plan - Bridger / Stark Park Enhancements	51,350	52,650	0	0	0	0	0	0	0	0
22043	Eltham Town M/Plan - Town Heart	0	0	0	0	84,375	632,500	352,500	0	0	0
22044	Manaia Town M/Plan - Mainstreet Public Safety and Amenity	20,540	0	0	0	112,500	460,000	587,500	0	0	0
22045	Manaia Town M/Plan - Public Art	0	0	0	82,575	0	0	58,750	0	0	188,100
22046	Manaia Town M/Plan - Wayfinding/Storytelling Signage	20,540	0	0	0	0	11,500	0	0	0	6,270
22047	Manaia Town M/Plan - Gateway Entrance	0	0	0	137,625	0	0	0	0	0	0
22048	Manaia Town M/Plan - Public Toilet Upgrade	0	0	107,700	0	0	0	0	0	0	0

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Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
District Economy - Economic Development											
22049	Opunake Town M/Plan - Mainstreet Public Safety and Amenity	0	52,650	592,350	55,050	0	0	0	0	0	18,810
22050	Opunake Town M/Plan - Public Art	0	0	64,620	0	0	0	0	72,060	0	0
22051	Opunake Town M/Plan - Wayfinding/Storytelling Signage	0	21,060	0	0	22,500	0	0	6,005	0	0
22052	Opunake Town M/Plan - Gateway Entrance	0	0	0	0	0	23,000	117,500	0	0	0
22053	Opunake Town M/Plan - Beach Connection (Napier St)	0	0	53,850	495,450	0	0	0	0	0	0
22054	Opunake Town M/Plan - Beach Connection (Havelock St)	0	0	53,850	0	506,250	0	0	0	0	0
22055	Opunake Town M/Plan - Beach/Lake Connection	0	52,650	0	0	0	0	0	0	0	0
22130	Hawera Town Centre-Additional Projects	0	0	538,500	550,500	562,500	575,000	587,500	600,500	613,500	627,000
	Carry-overs from 2020-21 (Tourism & Economic Development)	3,222,555	12,023	0	0	0	0	0	0	0	0
	Total District Economy	5,458,848	1,230,871	2,342,475	2,367,150	1,299,375	1,840,000	2,073,875	1,309,090	1,343,565	1,667,820

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Regulatory Services - Licensing											
18001	Signage - Licensing (Skate Parks & Liquor)	36,972	0	0	0	0	0	0	12,010	0	0
22025	Licensing - Height Adjustable Monitor Stands	2,054	0	0	0	0	0	0	0	0	0
	Total Licensing	39,026	0	0	0	0	0	0	12,010	0	0

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Regulatory Services - Animal Services											
15035	Hawera Pound - Fridge/Freezer	0	0	0	0	0	2,300	0	0	0	0
18000	Signage - Animal Control	0	0	0	0	0	0	0	31,226	0	0
19122	Animal Control - Cameras	0	0	0	0	5,063	0	0	0	0	5,643
19123	Animal Services - Fencing	0	10,530	0	0	0	0	11,750	0	0	0
22026	Animal Services - Height Adjustable Monitor Stands	2,054	0	0	0	0	0	0	0	0	0
22134	Hawera Pound building renewals	0	0	0	0	56,250	0	0	0	0	62,700
	Total Animal Services	2,054	10,530	0	0	61,313	2,300	11,750	31,226	0	68,343

CAPITAL PROJECTS PROGRAMME

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Regulatory Services - Parking											
12222	Electronic Parking Tickets	0	0	6,462	0	0	6,900	0	0	7,362	0
	Total Parking	0	0	6,462	0	0	6,900	0	0	7,362	0

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Coastal Structures											
14037	Pungerahu - Bayley Road Revetment	0	0	0	57,800	0	0	0	0	67,400	0
15341	Patea Moles Renewals	0	0	0	520,200	0	0	0	0	0	0
15427	Waihi Beach Access Improvements	0	0	0	0	0	30,575	0	0	0	0
22069	Middleton Bay - seawall renewals	5,300	5,485	5,630	5,780	5,950	6,115	6,310	6,520	6,740	6,950
22070	Opunake Beach - retaining wall renewal	212,000	0	0	0	0	0	0	0	0	0
22072	Derelict wharf stabilisation & detritus removal	0	0	0	57,800	0	0	0	0	0	0
22073	Carlyle-Mana Bay - rockwall renewals	5,300	5,485	5,630	5,780	5,950	6,115	6,310	6,520	6,740	6,950
	Carry-overs from 2020-21	332,663	0	0	0	0	0	0	0	0	0
	Total Coastal Structures	555,263	10,970	11,260	647,360	11,900	42,805	12,620	13,040	80,880	13,900

Project No.	Project Name	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Environmental Management - Environment & Sustainability											
22003	Reforestation of Council Land	65,720	68,014	69,812	71,672	73,780	75,826	78,244	80,848	83,576	86,180
22004	Biodiversity Restoration - Council Parks & Reserves	31,800	32,910	33,780	34,680	35,700	36,690	37,860	39,120	40,440	41,700
22005	SNA Mapping - Biodiversity & Ecosystem Protection	0	0	168,900	289,000	297,500	0	0	0	0	0
	Total Environmental Management	97,520	100,924	272,492	395,352	406,980	112,516	116,104	119,968	124,016	127,880

DEBT RATIOS FOR BORROWING LIMITS

DEBT RATIOS FOR BORROWING LIMITS – AS PER THE LIABILITY MANAGEMENT POLICY

For the year ended 30 June	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Term Liability	120,033	123,850	128,012	131,741	129,715	137,964	147,578	145,541	144,602	144,485
Current Portion of Term Liabilities	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112	12,112
Total Debt (External & Internal)	132,145	135,962	140,124	143,853	141,827	150,076	159,690	157,653	156,714	156,597
LTIF & Other Investments	142,082	144,914	146,163	147,232	149,802	152,178	154,611	163,046	172,512	182,496
Cash/Near Cash	1,752	1,254	2,097	2,837	2,274	5,672	7,633	6,734	7,753	7,976
Net Debt	-11,688	-10,206	-8,135	-6,216	-10,249	-7,774	-2,554	-12,127	-23,551	-33,875
Total Income per Comprehensive Income Statement	76,970	78,122	81,442	84,579	88,483	91,860	94,423	96,654	98,708	100,678
Less: LTIF Surplus Income available for offset to net interest expense	2,126	2,189	2,312	2,162	2,599	2,966	3,360	3,619	3,796	3,679
Total Income per Comprehensive Income Statement	74,844	75,933	79,130	82,417	85,884	88,895	91,063	93,035	94,912	97,000
Net Debt as percentage of total income <150%	-16%	-13%	-10%	-8%	-12%	-9%	-3%	-13%	-25%	-35%
Interest on External Debt	4,286	3,928	4,435	4,054	3,968	4,067	4,345	4,258	4,046	4,012
Less: LTIF Surplus Income available for offset	2,126	2,189	2,312	2,162	2,599	2,966	3,360	3,619	3,796	3,679
Net Interest Expenses	2,160	1,739	2,122	1,892	1,370	1,101	985	640	250	333
Net Interest Expense as a percentage of total annual income <15%	3%	2%	3%	2%	2%	1%	1%	1%	0%	0%
Total Rates Income	44,048	46,102	48,255	50,614	52,931	55,343	57,181	59,137	60,735	61,772
Net Interest Expense as a percentage of total annual rates income <25%	5%	4%	4%	4%	3%	2%	2%	1%	0%	1%
Net Debt per Capita (includes internal borrowing) <\$2000	-\$410	-\$358	-\$285	-\$218	-\$360	-\$273	-\$90	-\$426	-\$826	-\$1,189

STATEMENT OF SPECIAL RESERVES FUNDS

The following Statement of Special Reserves Funds concerns the Council's created reserves component of Council's equity.

The Council has an obligation to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community, and to act in the best interest of its ratepayer as a whole and in part.

The Council has several types of Council created reserves, which are monies set aside by the Council for a specific purpose, and these are disaggregated into the following categories:

- Separate Rate Reserves
- Statutory Reserves; and
- Restricted Reserves.

SEPARATE RATE RESERVES

Separate Rate Reserves are maintained for targeted rates charged for specific purpose. A Separate Rate Reserves is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

	Opening Balance \$000	Income \$000	Expenditure \$000	Other Adj \$000	Closing Balance \$000	Purpose of Funds
Roading & Regional Road Safety	(271)	236,462	(219,874)	(16,009)	309	To keep surpluses/deficits in each activity separate from other activities.
Water Supply Urban	320	115,043	(102,215)	(11,300)	1,848	To keep surpluses/deficits in each activity separate from other activities.
Wastewater	46	89,589	(84,781)	(4,664)	190	To keep surpluses/deficits in each activity separate from other activities.
Eltham Drainage	29	98	(80)	0	47	To keep surpluses/deficits in each activity separate from other activities.
Water Supply Waimate West / Inaha	953	65,807	(51,248)	(11,259)	4,253	To keep surpluses/deficits in each activity separate from other activities.
Solid Waste Collection	1,544	20,623	(22,029)	0	138	To keep surpluses/deficits in each activity separate from other activities.
Hāwera Town Co-ordinator	20	1,842	(1,842)	0	20	To keep surpluses/deficits in each activity separate from other activities.
Total	2,642	529,463	(482,069)	(43,231)	6,805	

The other adjustment 2021-31 column includes capital expenditure, loan repayments, new loans and depreciation.

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COUNCIL CREATED RESERVES

	Opening Balance \$000	Income \$000	Expenditure \$000	Other Adj \$000	Closing Balance \$000	Purpose of Funds
Safer Communities	3	0	0	0	3	To manage the balance of funds from Safer Community grants to be used on youth programmes.
Economic Development Fund	23	2	0	0	26	The purpose of the reserve is to enable the Council to strategically intervene when required by practically supporting new business.
Forestry	179	19	0	0	197	To manage income and expenditure relating to the joint venture forestry investment.
Ōkōtuku Domain	16	2	(60)	58	16	To manage revenue from the leasing of Crown land which has been vested in the Council on behalf of the Ōkōtuku Domain Committee.
Centennial Close 1% Contribution	7	0	0	5	12	To manage the 1% contribution for the past 15 years from the deposit held for Centennial Close flats for the purpose of upgrading the units when they are vacated.
Long Term Investment Fund	135,437	0	0	25,990	161,427	To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.
LTIF – Internally Invested	16,912	0	0	(12,422)	4,489	Debt funding from LTIF
Tangata Whenua Reserves	1	0	0	0	1	To manage funding from Tangata Whenua grants
Community Board Funding	4	0	0	0	4	To manage funding from Community Board grants
Painting Reserves	26	2,016	(2,016)	0	26	To fund various painting jobs
District Plan Reserves	0	950	0	0	950	To fund district plan costs
Riparian / Indigenous	88	403	(290)	0	201	To fund riparian planting throughout the District.
Total	152,861	4,192	(3,332)	13,630	167,351	

CAPITAL REPLACEMENT RESERVES

	Opening Balance \$000	Income \$000	Expenditure \$000	Other Adj \$000	Closing Balance \$000	Purpose of Funds
	298	0	0	6,091	6,389	

STATEMENT OF SPECIAL RESERVES FUNDS

RESTRICTED RESERVES

	Opening Balance \$000	Income \$000	Expenditure \$000	Other Adj \$000	Closing Balance \$000	Purpose of Funds
Eltham Property	16	2	0	0	18	To hold funds from property sold in the Eltham ward for funding of various projects in the Eltham ward.
Larcom Bequest – Turuturu Mokai	100	11	0	0	111	To manage a bequest from Samuel Larcom which was divided into four parts, ¼ for Parks and Reserves, ¼ for Turuturu Mokai Reserve, ¼ for Egmont A&P Association and ¼ for the Pukeiti Rhododendron Trust.
Pātea Property	169	18	0	0	187	To hold funds from property sold in the Pātea ward for funding of various projects in the Pātea ward.
Wairoa Recreation Res	629	97	0	625	1,350	To manage revenue from the leasing fo Crown land which has been vested in the Council and fees/charges from the campground for capital works on the Wairoa recreation reserve.
Harbour Endowment	347	64	(219)	859	1,051	To manage lease income from land formerly owned by the Pātea Harbour Board to be used for the following; (a) maintenance and improvement of endowment properties (b) maintenance and improvement of Harbour facilities, including harbour walls, and (c) on recreational and cultural facilities with the Pātea ward.
Centennial Bursary	66	7	0	(7)	66	To provide grants of up to \$400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.
Kaupokonui Beach	56	315	(100)	0	271	To manage lease income from Crown land vested in the Council for capital works requested by the Kaupokonui Beach Society.
Total	1,383	512	(319)	1,477	3,053	

STATUTORY RESERVES

	Opening Balance \$000	Income \$000	Expenditure \$000	Other Adj \$000	Closing Balance \$000	Purpose of Funds
Eltham Reserves Contributions	45	5	0	0	50	To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Eltham-Kaponga Ward
Hawera Reserve Contributions	40	12,819	(12,815)	0	44	To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Hawera Ward
District Reserve Contributions	7	1	0	0	7	To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the District
Waimate Development Levy	297	31	0	0	328	To hold funds derived from a levy on Kapuni Petrochemical Development for the funding of projects on public assets which are located on council owned property or reserves located within the boundaries of the old Waimate Plains County Council. The principle fund to remain at no less than \$260,000.
Opunake Reserve Contributions	34	4	0	0	38	To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Taranaki Coastal Ward
Manaia Reserve Contributions	44	5	0	0	49	To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Manaia (Taranaki Coastal Ward)
Total	468	12,864	(12,815)	0	517	

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

South Taranaki District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a public benefit entity. The prospective financial statements are for the Council as a separate legal entity. Consolidated prospective statements comprising the Council and its subsidiaries have not been prepared.

BASIS OF PREPARATION

The Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, has adopted the financial statements within the Long Term Plan on 29 June 2021. The Council and Management of South Taranaki District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statement. The financial information contained within this LTP may not be appropriate for purposes other than those described.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION SIGNIFICANT ACCOUNTING POLICIES

The prospective financial statements of South Taranaki have been prepared in accordance with the requirements of Section 95 of the Local Government Act 2002 and Financial Reporting Standards 42 (PBE FRS 42). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and certain financial instruments (including derivative instruments). These financial statements are rounded to the nearest thousand dollars (\$000) and as a result some rounding errors may occur in the financial statements. The Financial Statements are presented in New Zealand dollars.

Changes in Accounting Policies

PBE IPSAS 41

1. Subsidiary Entity

The Council has a subsidiary company Novus Contracting Limited (100% owned) and the company is inactive. The impact of any transactions with this entity on the Council's financial position is minimal. For the purposes of this LTP, only the operations of the parent entity, the Council, have been presented in these financial forecasts.

2. Revenue

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

Exchange Transactions

An exchange transaction is where the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

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Non-Exchange Transactions

A non-exchange transaction is where the Council receives value from another party without giving approximately equal value in exchange.

An inflow of resources from non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

a. Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates revenue collected on behalf of the Taranaki Regional Council is not recognised in the financial statements, apart from the statement of cash flows, as South Taranaki is acting as an agent for the Regional Council.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

b. Government Grants and Subsidies

Government grants and subsidies are recognised upon entitlement at their fair value, which is when conditions pertaining to eligible expenditure have been fulfilled. The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. Grants and Subsidies are classified as non-exchange revenue.

c. Fees and Charges and Sale of Goods

Revenue from fees and charges is recognised from the rendering of services (eg building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are partially funded by rates and therefore classified as non-exchange revenue.

Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

d. Investment Income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest income is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits. Dividends are classified as exchange revenue.

e. Other Grants, Bequests and Vested Assets

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting. The above revenue is classified as non-exchange revenue.

f. Capital Contributions

Capital contributions for assets are recognised as revenue when received and is classified as non-exchange revenue.

g. Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

h. Foreign Currency - Exchange Differences

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Surplus/Deficit. Gains on foreign currency exchange are classified as exchange revenue.

STATEMENT OF ACCOUNTING POLICIES

3. Expenses

Specific accounting policies for major categories of expenditures are outlined below:

a. Grants and Sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specific criteria have been fulfilled.

b. Finance Expenses - Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress, which represents a departure from the treatment required under PBE IPSAS 5: Borrowing Costs.

c. Depreciation and Amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

4. Taxation

a. Goods and Services Tax (GST)

GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

b. Income Tax

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowance for permanent differences.

Deferred taxation is the amount of income taxes payable (or receivable) in future years in respect of temporary differences (ie where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

5. Financial Instruments

South Taranaki undertakes financial instrument arrangements as part of normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage its exposure to risk on debt.

a. Financial Assets

Financial Assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Surplus/Deficit.

Purchases and sales of investments are recognised on trade-date, the date on which there is a commitment to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the transfer of substantial risks and rewards is completed.

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

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The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. A variety of methods and assumptions are used 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 discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial assets are classified into four categories:

Financial assets at fair value through profit or loss:

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Surplus/Deficit.

Loans and receivables:

These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. 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 Surplus/Deficit. Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

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. After initial recognition they are measured at amortised cost using the effective interest rate method. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus/Deficit.

Investments in this category include term deposits, investments in local authority and government stock.

Financial assets at fair value through equity:

Financial asset at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other three categories above. This category includes investments that are held long-term but which may be realised before maturity; and shareholdings that are held for strategic purposes. Investments in its subsidiary are not included in this category as they are held at cost. Gains and losses are recognised directly in equity except for impairment, which are recognised in the Surplus/Deficit. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Surplus/Deficit even though the asset has not been derecognised. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the Surplus/Deficit.

6. Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities (creditors, income in advance, loans, bonds and deposits) are initially recognised at fair value. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within surplus or deficit.

a. Impairment of Financial Assets

At each balance date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Surplus/Deficit.

b. Derivative Financial Instruments and Hedging Activities

The Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value

STATEMENT OF ACCOUNTING POLICIES

and subsequently at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Surplus/Deficit. The fair value of interest rate swaps is the estimated amount that would be received or would pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with the original maturities of three months or less. It includes all funds held for the day-to-day management of the Council and does not include funds set aside for specific purposes (eg Reserve Funds).

8. Accounts Receivable

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of accounts receivable 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 agreement. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

9. Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

10. Investments

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

The Council's interest in the Joint Wanganui District Council's Forestry Committee is valued at fair value, using the discounted cash flow method. Movements in fair value will be taken through equity.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

11. Property, Plant and Equipment

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.

All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land which is not depreciated).

For those assets that are re-valued, the change in valuation is credited or debited to the 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 Statement of Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset. Additions subsequent to revaluations are recorded at cost.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

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Operational Assets

These include land, building, motor vehicles, plant and equipment and library books.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2020. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

Restricted Assets

These are assets owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2020. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and Recreation Assets were valued at fair value by Beca Projects NZ Limited, as at 30 June 2020. Valuations are carried out on a three-yearly cycle.

Heritage and Cultural Assets were valued at fair value by Ian J Burgess, Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

Infrastructural Assets

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited as at 30 June 2020. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Land under Roads was valued based on fair value provided by previous valuations in 2017. The valuation was carried out by Beca Projects NZ Limited. The Council has elected to use fair value of Land under roads as at 30 June 2017 as the deemed cost. Land under roads are no longer revalued.

Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration.

Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current “in the ground” cost of providing identical services.

All other assets are valued at historical cost less accumulated depreciation.

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12. Depreciation

Depreciation rates for fixed assets are as follows:

Operational Assets

Depreciation rates for operational assets are based on a straight line basis.

Buildings	3.33% - 20.00%
Motor Vehicles	4.00% - 20.00%
Plant and Equipment	3.33% - 33.33%
Information Systems	
Equipment	10.00% - 33.33%
Library Books	1.71% - 33.33%
Furniture and Fittings	5.00% - 33.33%
Office Equipment	10.00% - 33.33%

Infrastructural Assets

Roading

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.

The significant component depreciation rates are as follows:

Traffic Facilities, Signs and Markings	10 - 50 years	2.00% - 10.00%
Bridges	50 - 100 years	1.00% - 2.00%
Footpaths	25 - 60 years	1.67% - 4.00%
Pavement		
Surfacing	2 - 16 years	6.25% - 50.00%
Drainage and		
Culverts	45 - 80 years	1.25% - 2.22%
Roading		
Base-course	40 - 80 years	1.25% - 2.50%
Berms, Markings,		
Shoulder and Formation		Not depreciation

Water, Sewerage and Stormwater Reticulation Systems

Provision has been made for depreciation of components of the assets based on their remaining life.

Water

Reticulation 4 - 143 years 0.70% - 25.00%

Water Treatment

Plants 5 - 100 years 1.00% - 20.00%

Water Point 4 - 123 years 0.81% - 25.00%

Sewerage

Reticulation 10 - 178 years 0.57% - 10.00%

Sewerage Treatment

Plants 14 - 100 years 1.00% - 7.14%

Wastewater

Point 10 - 124 years 0.81% - 10.00%

Wastewater

Station 15 - 80 years 1.25% - 6.67%

Stormwater

Pipes 20 - 150 years 0.67% - 5.00%

Stormwater

Point 20 - 110 years 0.91% - 5.00%

Restricted Assets

Heritage and Cultural Assets

Provision has been made for depreciation of components of the assets based on their remaining life.

6 - 250 years 0.40% - 16.67%

Parks and recreation assets

Provision has been made for depreciation of components of the assets based on their remaining life.

6 - 150 years 0.67% - 16.67%

Assets under Construction

Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.

13. Intangible Assets

Software Licences are recognised at cost and amortised on a straight line basis over the life of the agreement (16 years).

Software licences are recognised at cost and amortised on a straight line basis over the life of the licence (three to ten years). A range of 10.00% to 33.33% per annum.

14. Impairment of Assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

15. Employee Entitlements

Provision is made for employee benefits accumulating as a result of services rendered.

Provision is made in respect of the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

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16. Landfill Post-Closure Costs

As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfill post-closure.

Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The time needed for post-closure care is as per the resource consents issued by TRC.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

17. Community Loans

The Council has acted as guarantor for a number of sports clubs. These are valued in the Council's financial statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

18. Public Equity

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances comprise accumulated surpluses over the years. Restricted and Statutory Reserves are those funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

19. Leases

Leases where the lessor substantially retains all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

20. Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating Activities include cash received from all income sources and record the payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the equity and debt capital structure of the Council.

STATEMENT OF ACCOUNTING POLICIES

21. Allocation of Overheads

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

22. Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the 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. These 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 below.

Infrastructural assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuation. These include:

- The physical deterioration and condition of an asset. This is mainly for the assets that are not visible (eg underground utilities). There are on-going physical inspections and condition modelling assessments to improve information on these assets. Estimating any obsolescence or surplus capacity of any asset.

- Estimates are made determining the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

Critical judgements in applying accounting policies

Management has consistently applied the Council's accounting policies for the period ended 30 June 2020 and has not been required to exercise critical judgement in implementing these policies beyond what would be expected on a normal day to day basis.

23. Borrowing Costs

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

