



Masterton District Council

2010-2011

Annual Plan and Budget

Including Amendment to the 2009-19 LTCCP





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Cover Page:

Photographs provided by Wairarapa Times-Age and David Paris.

Large photograph - the Royal New Zealand National Pipe Band Championship parade through Masterton.

Smaller Photographs from top – A vintage WW1 plane, the Gordon family, Masterton Drag Races, Balloons over Wairarapa and the Summer Hummer.

ISSN 1175-6578

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Purpose of Annual Plan

The purpose of the Masterton District Council's Annual Plan is:

- a) to describe the Council's activities for 2010/11 and their associated costs and funding
- b) to link activities with the community outcomes of the Masterton District
- c) to provide integrated decision-making and co-ordination of the Council's resources
- d) to provide a basis for accountability of the Council to the community
- e) to provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the Council.

Purpose of Amendment to 2009 – 2019 Long Term Council Community Plan (LTCCP)

The Council adopted its 2009-2019 LTCCP in June 2009. Since then three items have been identified as requiring amendment and consultation using the special consultative procedures under the Local Government Act 2002.

The three items are described in detail in Part 2 of this document, but in summary are:

- A change to the Revenue – Financing Policy and Funding Impact Statement to allow for Riversdale Beach Sewerage Scheme's range of rated capital contribution payment options
- Masterton's urban wastewater upgrade project (Homebush) has had revised capital expenditure figures produced and these have resulted in changes to the planned level of debt that will be required to be raised in Years 2 and 3 of the LTCCP
- The Treasury Policy limit of total debt being no more than 135% of total revenue is now considered too low in light of the need for more debt for Riversdale and more debt for the Homebush project

This Annual Plan covers year two of the ten-year timeframe covered by the 2009-19 Long-Term Council Community Plan (LTCCP).

For more information, please refer to the 2009-2019 Long Term Council Community Plan.

Timeline

- The Draft Plan was launched for public consultation on Wednesday 14 April 2010
- Public Meetings were held in the Frank Cody Lounge at the Council building on 29 April
- Submissions on the Draft Plan closed on Friday 14 May 2010
- The Council confirmed the Plan, with some amendments as a result of hearings and submissions received
- The Council adopted the Annual Plan at the Council meeting on 30 June 2010



The Summer Hummer crowd soaks up the atmosphere at the Colin Pugh Sportsbowl.



Masterton's Maori Wardens have been widely praised for their ability to relate to young people. Here they are photographed at the Waitangi Day Origins Festival in Queen Elizabeth Park.

Introduction from Mayor and Chief Executive Officer

This Plan is Year Two of the 2009/19 Long Term Council Community Plan (LTCCP). It also incorporates some variations to the Long Term Plan that change our rating policy and include some new expenditure for consultation.

The Urban Wastewater Upgrade is the most significant project in this plan and the biggest single project expenditure that this Council has ever had to deal with. The upgrade involves relocating treatment ponds, irrigation to land and reducing discharge of treated effluent to the Ruamahunga River by approximately 40% and 100% at times of low river flows. We have reached agreement with the consent submitters and intend to begin work on construction later this year.

The impact of this project on urban rates accounts for an increase of 6% over the previous year and we have worked to minimise any additional increases by holding other spending.

The urban rates increases will average 8.9% while in the rural area the increases will average 4.9%.

Fortunately we are in a very competitive tendering market and cost savings should be achieved this year on our extensive capital works programme.

The Riversdale Beach Sewerage Scheme has already benefited from this competitive market and that project will be progressed through the year.

The funding policies, which set the basis for how much Riversdale property owners will pay for their new sewerage scheme, are among the items being proposed and consulted on in this Draft Plan and the accompanying LTCCP Amendment.

This Plan features significant investment in the reticulation system for urban sewage to reduce infiltration from ground and stormwater. Some private laterals will also be required to be upgraded.

We are looking ahead to two significant opportunities in 2011 and 2012, the first being the Rugby World Cup. We anticipate many overseas tourists will be visiting our region during the event. The other is the World Shearing Championships to be held in Masterton in March 2012 and will bring competitors and supporters from some 20 countries.

Upgrading Mawley Park camping ground will provide for campervans and people seeking lower cost accommodation.

We believe we have a plan that implements the intentions of the Long Term Council Community Plan and this will see the Council continue to deliver the services that the residents of Masterton require.

As a result of submissions an additional \$30,000 was allocated to economic development, funding for Mauriceville transfer station was reinstated to enable wider consultation on rural solid waste services.



Garry Daniell
MAYOR



Wes ten Hove
CHIEF EXECUTIVE



BIG EFFORT: The **Gordon** family of Masterton was having a busy time at the preliminary Golden Shears events this week. From left, Samantha **Gordon**, 14, competed in the junior woolhandling, and made it to semifinals; David **Gordon**, 13, won the novice shearing; and Cushla **Gordon**, 20, competed in the junior shearing, junior wool handling, women's singles pressing and doubles pressing. Picture / Lynda Feringa, Wairarapa Times-Age.

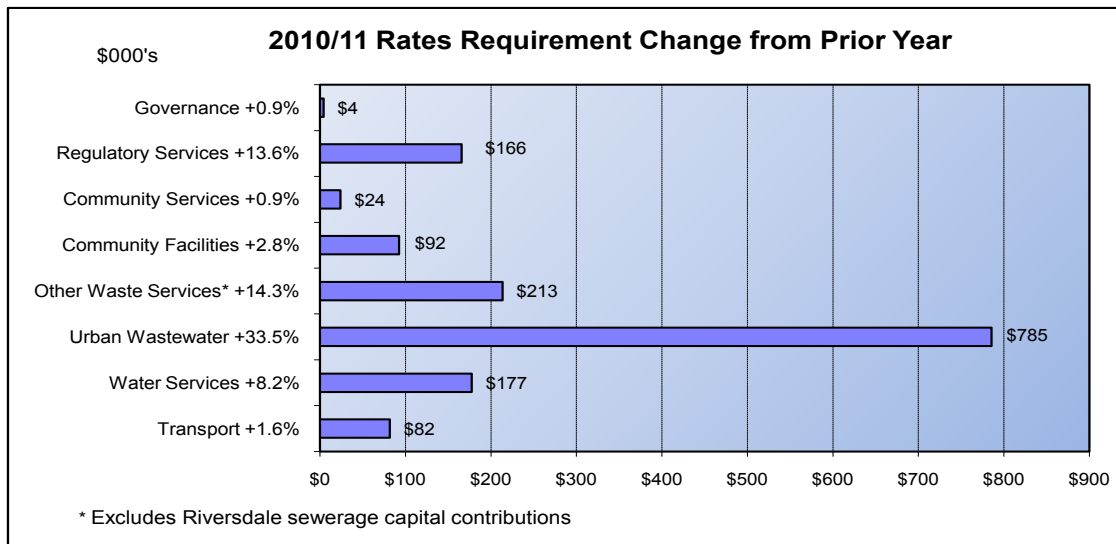


The big view of action at the Golden Shears

Highlights and Major Projects

In this section we have summarised the highlights and major projects that are planned for 2010/11. Some have already been subject to extensive consultation.

The graph below portrays the activity areas of the Council where increased rates funding is planned.



Financial Impacts

Large capital expenditure items include:

- urban wastewater upgrade (\$19.82 million)
- urban sewerage reticulation renewals (\$1.865 million)
- Riversdale sewerage (\$5 million)
- roading renewals (\$3.64 million)
- a number of waste management initiatives upgrading the Nursery Road facility (\$1.1 million)
- Mawley Park refurbishment (\$1.2 million)
- water treatment plant filter refurbishment and water mains replacements (\$2 million)

Some \$785,000 extra rates is required to fund the urban sewerage activity. This is as a result of upgrading the treatment plant by nearly \$20 million in 2010/11, funded by loans. The sewerage rates increase is some 33.5% and makes up 5.9% of the urban rates increase of 8.9%.

In Regulatory Services, the building consent activity

requires greater rates input, as reducing income is not able to be offset by operational savings. Wairarapa Combined District Plan costs will include finalising and publishing the document.

Community Facilities include the capital project to upgrade Mawley Park and the resulting impact on rates of some \$90,000.

Rating Policy Changes

The LTCCP amendment attached with this Plan includes a change to the rating policy for the Riversdale Beach sewerage scheme. The Council's decision to offer Riversdale residents the ability to pay off their sewerage contributions over 1, 2, 5 or 20 years means new rate types need to be specified. The Funding Impact Statement reflects the Council's revenue raising (from rates) intentions.

Treasury Policy Changes

Also as part of the LTCCP Amendment, the Council has reviewed its Treasury Policy limits with respect to the level of debt to total revenue. An escalation in the cost of the urban wastewater upgrade and a need to carry debt for the Riversdale Beach

sewerage scheme has meant the Council will come close to the policy limit of 135% (of debt as a % of total revenue) in 2012/13. The Council is proposing to increase the limit from 135% to 150%, having reviewed other Council's limits. The Council believes that 150% remains prudent.

Deferred Work

The following projects have been deferred at least one year:

- replacing the Riversdale Beach Toilets
- an upgrade of Castlepoint sewerage
- capping the former landfill at Nursery Rd
- an upgrade of the Tinui water supply

The next stage of the Queen Elizabeth Park rejuvenation had a provision of \$269,000 (loan funded) in the LTCCP and this has been reduced to \$185,000 in 2010/11 Annual Plan.

Urban Wastewater Upgrade Project

This project has been subject to extensive consultation. A resource consent has been issued and the implications have been incorporated into this Plan. We are now reaching the final stages in a review of the project with a small group of submitters who wanted to consider further means of reducing or eliminating discharge to the river and to make best use of the treated wastewater.

The Plan assumes that the project will begin in 2010 at a budgeted cost of \$19,820,000 funded by loan.

Upgrading the reticulation system is a priority to reduce the amount of infiltration into the system. An investment of \$2.5 million in sewer reticulation renewals is planned for 2010/11. It is expected that private owners will undertake work on laterals themselves or that the Council will commission the work and recover the costs from private landowners.

Riversdale Beach Community Sewerage Scheme

The Council continues to facilitate the development of a reticulated sewerage treatment and disposal scheme to cater for Riversdale Beach and has consulted extensively with Riversdale ratepayers and residents.

A tender has been accepted to install a gravity system with pressure pumps used in low lying areas. This Plan assumes that construction will

begin in 2010 and the scheme will be operating in March / April 2011.

The Council will subsidise this scheme by \$575,000 and a further \$1.92 million has been provided by the Government.

Property owners will have the option of making lump sum payments in year one, over two years, five years or 20 years.

Greater detail is available in a separate Riversdale Beach sewerage newsletter and in the Amendment to the LTCCP, which is attached as an appendix to this Annual Plan.

Solid Waste Management

The Council plans to upgrade recycling facilities to improve efficiency and will provide further upgrades at the Nursery Road Transfer Station.

In 2009/10 the Council increased the price of household rubbish bags and the disposal charges at the transfer station in order to recover the increasing costs from the users. There has been a drop in the amount of refuse (which is a good thing), but user pays income has fallen short of our budgets while fixed costs still need to be covered. We have already reduced the hours at the transfer station to hold our costs.

Additional rates income will be used to cover some of the increased costs of our recycling services. Increases in the transfer station gate fees will match increased landfill fees.

The Council has appointed new contractors Green Fingers who have proposed different approaches to solid waste management through the tender process.

The Council signalled in the LTCCP that current levels of service in the rural area were not sustainable in their current form. There will be further consultation with the rural sector about options for solid waste collection and disposal.

Stormwater

We are working to better cope with storm events by improving the capacity of the system and managing stormwater in the urban area.

A higher standard of cleaning and maintenance of both public and private infrastructure is proposed.

Further investigation on ways to minimise flows from Upper Plain and Opaki into the urban area have been allowed for in 2010/11. Any capital works identified will be deferred until at least 2011/12.

Urban Water Supply

The Council is working to maintain water quality, reduce water that is lost from the reticulation system, and make sure there is enough water to go around.

The Council's water supply is assessed on two criteria by Regional Public Health. Masterton's supply continued to receive an Aa grading in 2009. (The 'A' means that the water source, treatment and distribution are considered to be completely satisfactory, with an extremely low level of risk. The lower case 'a' is based on the microbiological and chemical quality of drinking water, assessed under the Drinking Water Standards for New Zealand 2000.)

The Council will continue to renew the water mains and connections. Refurbishing the water filter system and water treatment plant equipment will ensure the continued safety of the Masterton urban water supply.

Conservation measures during the summer will keep the Council within its consent conditions and provide sufficient water for the community. A promotional programme to encourage urban residents to install water tanks to supplement the urban supply will begin.

Roading

Roading is a major expenditure item for the Council and some 30% of the Council's total operating budget. We expect to maintain current levels of service with little increase in overall costs, although there is a shift in expenditure more into the rural share of the programme.

The Plan anticipates that roading work will provide for approximately 27 kilometres of reseals in the

rural area and 6 kilometres of urban roads and a further 8 kilometres of pavement rehabilitation on rural roads; 7.1km of footpaths will be resurfaced, plus the CBD work mentioned elsewhere. Most work on the roads receives financial assistance of 55% from NZ Transport Agency. (Pavement rehabilitation involves a rebuild of the road base.)

Management of the roading corridor throughout the District has been devolved to local authorities. This is to manage installation of underground services such as pipes and wires more effectively. The Council has allowed an additional \$50,000 to undertake this task and other asset management functions.

Hood Aerodrome Development

The Council will connect the aerodrome to the town's sewer and water networks in 2010.

Vintage and commercial aircraft are stored in hangars at the aerodrome and there is a clear need for better fire fighting capacity for their protection.

Connection to services will enable the current buildings to have water for potential fire fighting and sprinkler systems as well as providing access to potable water and sewerage services. It is expected that airport hangar owners who connect to the new services will be required to pay capital contributions.

Council also agreed to lay ducts to enable the various sites to be connected to fibre optic cable in future.

A provision of \$390,000 has been allowed in the Plan to reseal the runway. As the runway is still in good condition, a decision will be made after winter on whether to defer the work for a further year.

The investment by the Council and others in the aerodrome over recent years has seen operating costs increase and in the short term the aerodrome will need an increased rates provision. A review of landing fees will take place later this year.

Timing and Scope of the CBD Upgrade

The footpath surfaces in the CBD are partly paving and partly asphalt. Over the years patching has been required when services have been installed, resulting in some uneven surfaces. Stage 1 work to resurface the asphalt footpath areas was originally

scheduled for 2009/10 and has been carried forward to 2010/11, now with an estimated cost of \$331,000. The Council will resurface with asphalt to provide a smooth surface in preference to paving bricks (costed at \$662,000) with the added advantage of being cheaper.

We have had requests to improve the slope on the footpath in Queen Street, especially in the middle of the western section between Jackson and Perry Streets. We will reduce the slope when we resurface by widening the footpath and changing from angle to parallel parking. This will reduce the number of car parks from 12 to 7 and the cost will be around \$35,000. The disability community and those using mobility scooters are most affected by the sloping footpath.

Masterton's multi-bay parking meters are now obsolete and we are no longer able to get parts. Some do not function at all. The new meters are unlikely to go in the same spot as the current ones so the Council felt that this work should be co-ordinated with the footpath resealing. The 'pot belly' meters currently installed in Central Business District side streets will also need to be replaced within five years and, to maintain consistency and enhance reporting functions, these meters will be upgraded to multi-bay meters. New meters will cost \$300,000, funded from depreciation reserves, and will generate around \$30,000 nett income per year.

Meters are a tool for ensuring turnover of cars in the CBD parking area.

The Council will not proceed with a more extensive upgrade at this time but will consult on the long term development of the CBD.

Mawley Park

We need to invest in Mawley Park to continue to attract new and returning visitors. A business case, reviewed for the Council by experienced camp ground operators, advised that the best return on investment would be to upgrade the facilities and cabins to achieve Qualmark four star status.

An estimate of the cost for the upgrade is \$1.8 million and could be funded by a combination of reserve funds and loan funding. The Council considered whether to stage this work over three years, with priority accorded to drainage, an ablution block and

a kitchen, as well as upgrading the camp manager's accommodation. The following stage would be to build upgraded cabin accommodation. The Council has allocated \$1.2 million (\$400,000 from reserves and \$800,000 from loans in the 2010/11 plan). The Council believed that completion of at least some of this work in time for the World Cup and the World Shearing Championships would cater for the expected high number of international tourists. It is expected the many World Cup tourists will be in campervans as they move around the country, while World Shearing Championships visitors may prefer cabins or tourist flats.

Wairarapa Combined District Plan

The South Wairarapa, Carterton and Masterton District Councils have jointly developed a Proposed Wairarapa Combined District Plan (WCDP) to provide a robust set of planning rules across the region which would have currency for at least 10 years.

Submissions on the proposed plan have been heard and considered. Hearing of appeals is expected to be completed in 2010, after which the operational plan will be updated to incorporate the changes, printed and promoted.

Masterton District has been carrying a 57.4% share of the cost of this work to date and the cost share for the final stages is budgeted at \$65,000.

A study of outstanding landscapes that has arisen from the combined plan is expected to be completed over the next two years, while identification of notable biodiversity is being undertaken as part of the combined plan commitments.

Property & Infrastructure Capacity

No specific properties or values have been allowed in the 2010/11 Plan for the disposal of property by the Council. However, the Council will seek to take advantage of opportunities to sell property. The Council has a number of pieces of land that could be surplus to its requirements and are held for strategic purposes or because their value is less than the costs of disposal. Examples of these include rural holding paddocks, some rural halls and some pieces of urban land, including the Williams Block and the former Borough depot in Bentley Street. Any proceeds from the sale of land will be directed into the General Capital Reserves.

Some of the drivers for potential review of Council properties are:

- increasing demand and activity in urban subdivision and development, particularly in the Lansdowne area
- the proposed Wairarapa Combined District Plan extending the Masterton urban area and providing for development contributions towards infrastructure
- Opportunities for utilising land in response to the emissions trading scheme

There is potential for more intensive use of a number of existing sites (former primary school sites, old hospital) which could impact on requirements for infrastructure.

Broadband

The Council has set aside \$25,000 to facilitate expansion of Broadband services to the Masterton District. Broadband has economic benefits to both the rural and business community due to faster and more efficient access to Internet services.

Options for Closer Co-operation or Amalgamation among the Wairarapa and Wellington Councils

The councils in the Wellington region are looking into options for shared services to see if they can be more effective and efficient and reduce or hold costs. Discussions on the options for amalgamating councils have also taken place. Within the Wairarapa, the Council has raised the issue of the benefits and disadvantages of various options for increased sharing of services, merging the three Wairarapa District Councils and also of establishing a unitary authority instead of being part of the Greater Wellington Regional Council.

Some savings from shared purchasing have been included in this plan. The Council will continue to consider further options for saving from shared services and will report during the year on any developments.

Financial Strategy

Summarised below is the overall Financial Strategy of the Council, which was published in full in the 2009-19 LTCCP.

The Council organisation is owned by the ratepayers of Masterton District and all of our planning and policies are intended to deliver quality management of assets and services for ratepayers. We have kept some key principles in mind as we prepared this plan.

- To look after our finances carefully for today and tomorrow
- To have an affordable budget over the ten years
- To prepare a balanced budget
- To look after our assets and infrastructure
- To spread the cost across today's and tomorrow's users (intergenerational equity)
- To spread the costs of assets across their useful life
- To apply rates in a fair and equitable way

Looking after our Funds

We have policies that control how much we can borrow, how we invest our funds, how we fund our services and how we divide up the rates.

Financial Planning

We prepare detailed plans every year and a ten year plan and policies every three years. We produce summary versions of those plans for all ratepayers and we consult with our residents about what we plan to do. We report against those plans every year and our Annual Report is audited by Audit NZ.

Reserve funds

The Council has modest reserve funds built up from asset sales and depreciation on assets. The funds are invested externally and internally and the interest is used to offset costs for specific projects. In the first few years of this Plan reserve funds will be drawn down more than the inflow of funds from depreciation. The draw is largely for the renewal of sewerage assets. When the cash reserves funds are used for internal borrowing we charge internal

interest at market rates.

Balancing the books

The Local Government Act requires the Council to run a balanced budget. This Plan achieves that requirement, principally because of one-off revenue for Riversdale sewerage, however the LTCCP shows increasing surpluses and cash reserves in future years. Future councils may use the surpluses to repay debt early or commit more funding to renewals expenditure. The cash reserves generate interest income which helps to offset rates required.

In 2010/11 the Council has again decided not to increase rates enough to fund all of the depreciation which is recognised on assets, particularly infrastructural assets. Also, our planned use of reserves for some operating costs means we risk not achieving the balanced budget.

Over the ten years of the LTCCP we intend to increase the funding of depreciation, except on assets we do not expect to replace, allowing us to consistently achieve a balanced budget and remain financially sustainable. See the next page for detail of which assets this applies to.

Looking after our Assets

Our 10 Year Plan provides funding to make sure our assets are well-maintained and are replaced at the right time. Our depreciation reserves will be combined with new borrowing to do all the work that has been identified in our asset management plans.

Borrowing to pay for new assets

The Urban Wastewater Upgrade project is a huge investment by the Council on behalf of the community. It will be funded by new loans and will take the level of debt from \$18 million to \$43 million in the next year. We anticipate spreading the loan repayments over 25 years so that the cost of assets is carried by future ratepayers. We have set prudent policy limits on our borrowing to ensure our community is not over-indebted. See LTCCP Amendment at the end this Annual Plan.

Growing our Assets

Capital expenditure required to service growth of the district will be funded by loans and from development contributions which are charged to developers through the Wairarapa Combined District Plan.

Levels of Service

We are planning to provide the same services at the same standard in *most* of our activities, but there are some areas (such as sewerage and stormwater) where we will be improving the service. Improved services will mean higher costs and more rates funding required over the period of the Plan. Cost savings could be achieved, but services would be cut and the Council has decided not to make those cuts.

Spreading the Cost

We try to match the costs of a service with those who use it or benefit from it. Keeping services affordable is a key focus of the Council. The operating costs of services can be funded by rates, user charges, subsidies or reserve funds. The subsidy for most roading work is 55% which the Government collects from road user charges and petrol taxes.

User charges are applied in full or part, where the user can be identified and at a level that will not restrict access to the service.

Rating Policy

The Council recognises that most of the rates are a property tax, as they are payable whether or not you use or benefit from a service.

Rating valuations that were effective September 2008 will affect the change in the rates payable at the individual property level.

In 2010/11 the rating mix will apply as follows:

Rating Type	Urban	Rural
Uniform charges	18.5%	40%
Service charges	13.0%	3%
Land value rates	14.0%	35.5%
Capital value rates	54.5%	21.5%

There is a differential on urban non-residential properties (commercial) of 2x on the land and capital value rates.

Riversdale Sewerage Scheme

The Riversdale Sewerage Scheme has attracted a government subsidy of \$1.92 million with the balance of some \$5.2 million to be funded by the Riversdale property owners. The Council will levy targeted rates on each 'residential equivalent' property that is serviceable by the new scheme to recover their capital contributions. (See LTCCP Amendment and Capital Project Funding Plan).

Depreciation 'unfunded'

The Council has achieved a 'balanced budget' as per the statutory requirement. However, a number of factors that influenced this result need clarification. Full depreciation on Council assets has been recognised as an expense, but the Council has decided not to fully allow for revenue to match the expense on a number of specific assets.

There are also several large external income items which will fund capital which influence the accounting surplus position.

In the roading activity the renewals programme is designed to maintain the road network in a constant state. Depreciation expense is recognised and renewals are capitalised. The value of the renewals capital programme is funded by way of subsidies from the NZ Transport Agency (NZTA) and rates income. The programme has usually been a similar value to the depreciation expense. Those assets in the roading activity which are not renewed on an annual rolling basis (eg bridges, street furniture) do have some depreciation funded into a replacement reserve, to the extent of the Council's share after the NZTA subsidy.

Other assets where the depreciation expense is not fully funded and the reasoning for each are as follows:

- Housing for the Elderly – not all depreciation is covered by rental income in order to hold rents low and have no rates input. Renewals work is covered but full replacement will require external income assistance (eg government subsidies).
- Rural Halls – no intention of replacing of at least half of these buildings.

- Security cameras – originally partly funded with external contributions, we have assumed when these are replaced there will be a similar level of external funding contributed.
- Genesis Energy Recreation Centre – the redevelopment of this facility in 2002/04 was half funded with external contributions of approximately \$3.5 million. We are allowing funding of sufficient depreciation to cover replacement of plant and equipment and regular building renewals (eg painting etc). Not all depreciation is funded as we have assumed the future replacement of the facility will again attract external funding when it is required.
- Water, sewerage and stormwater assets – the increase in depreciation expense that resulted from the 2008 asset revaluation was not able to be fully built into the budgets in Year 2, as the Council wishes to hold the rates increase at an affordable level. Subsequent years in the LTCCP have allowed for the catch-up in depreciation funding of these assets.

Significant Assumptions

Basis of preparation

The financial information in this plan has been prepared following the provisions of Financial Reporting Standard 42 (FRS 42) Prospective Financial Statements. The purpose of the financial forecasts in this long term plan is to provide “best-endeavours” costing of Masterton District Council’s plans to enable it to achieve its Community Outcomes, in collaboration with other stakeholders, over the 10 year period 2009-2019.

Basis of assumptions

Prospective information is based on a number of assumptions. Risks and uncertainties surround these assumptions. The basis of the assumptions surrounding the information is found in Planning Assumptions below.

The information should therefore be used carefully, with this best-endeavours purpose in mind. The Local Government Act 2002 Schedule 10 (1)(e) requires that information relating to levels of service, estimated expenses and revenue be provided in detail for three financial years, and indicative for the subsequent seven financial years. Over time, information becomes increasingly indicative from the time it was first prepared.

The approach taken to budget development has been that of preparing ‘forecasts’ on a best estimate basis. In this case, a forecast refers to financial information based on assumptions on future events the Council expects to occur and on the basis of Council’s expected response to these events. The Council has not taken an approach where hypothetical (“what-if”) projections are used.

The figures presented are budgeted. However, the opening balance of the 2010-2011 year is based on the estimated actual result, with this estimation having been made in March 2010.

The major limitation of the forecasting approach, as with any approach, is that events may change over time and undermine the accuracy of assumptions made. The actual financial results achieved for the period are likely to vary from the information presented and the variations may be material.

The review of assumptions underlying the financial information was undertaken in preparation of the Long Term Council Community Plan (LTCCP), between September 2008 and March 2009. However, the assumptions themselves were adopted by Council resolution to approve the Draft LTCCP for public consultation in March 2009.

Assumptions and Risk Assessments

A number of assumptions were made in preparing the Draft Shaping Our Future 2009-2019 Long Term Council Community Plan (LTCCP). These assumptions are necessary as the planning term is for 10 years and the stating of assumptions ensures that all estimates and forecasts are made on the same basis.

There are four categories of planning assumptions in this document:

- 1 Demand Assumptions
 - resident population
 - district growth
- 2 Political Environment
 - policies
 - governance
- 3 Operating Environment
 - resource consents
 - natural disasters
 - external factors
 - human resources
- 4 Financial Assumptions

Please see the full LTCCP document for the assumptions detail.

TRANSPORT SERVICES

Roads, Streets and Footpaths

Parking Control

Hood Aerodrome

Transport Services

Masterton District Council's Transport activities include Roads, Streets and Footpaths, Parking Control and Hood Aerodrome.

TRANSPORT

LTCCP Yr 2	Rates Requirement Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
3,509,398	Subsidised roading	3,425,546	3,301,588	(123,958)
1,382,752	Non-subsidised roading (urban)	1,301,652	1,323,992	22,340
168,220	Non-subsidised roading (rural)	169,240	167,184	(2,056)
154,602	Flood damage	146,250	149,230	2,980
(53,064)	Parking control	(38,741)	(42,216)	(3,475)
100,445	Airport	104,331	76,405	(27,926)
\$5,262,353	Rates Requirement	\$5,108,278	\$4,976,183	(132,095)

TRANSPORT

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
3,410,512	Roading			
	Asset renewals - Rural roading programme	2,682,000	3,292,000	610,000
1,205,904	Asset renewals - Urban roading programme	962,100	1,019,000	56,900
-	Asset renewals - Manawa bridge (c/fwd)	600,000	350,000	(250,000)
233,100	Urban footpath upgrades & reseals	225,000	225,000	-
-	Solway Cres upgrade	-	360,000	360,000
-	CBD footpath resurfacing project	331,000	360,000	29,000
-	QE Park footbridge refurbishment	-	50,000	50,000
-	Projects - signage, Colombo kerb	-	145,000	145,000
18,130	Car park reseals	18,100	54,000	35,900
	Parking			
51,800	Replacement parking meters	300,000	300,000	-
	Airport			
	Airport development		175,000	175,000
393,680	Airport runway reseal	390,000		(390,000)
5,313,126		5,508,200	6,330,000	821,800
	Capital Funding			
(2,649,334)	Land Transport NZ subsidy (on renewals)	(2,441,955)	(2,789,891)	(347,936)
-	External funding (airport)	-	(170,000)	(170,000)
(363,610)	Transfers from reserves	(889,100)	(1,046,381)	(157,281)
(200,000)	Loan funds (airport & CBD)	(460,000)	(300,000)	160,000
(3,212,944)		(3,791,055)	(4,306,272)	(515,217)
\$2,100,182	Rates Requirement (Capital)	\$1,717,145	\$2,023,728	306,583

Roads, Streets and Footpaths

What do we do?

The Council constructs, manages and maintains the road, street and footpath networks – including pavements, bridges, traffic services and streetlights – throughout the District.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Roads and urban streets are provided at a quality acceptable to the community and are maintained to the nationally accepted standards. Adequate bridges, culverts, surface water channels, streetlights (in urban areas), signage and markings are provided to ensure an efficient and accessible roading network	Percentage of customers satisfied with the condition of the roading network	83% (Peer group=72%)	Maintain satisfaction level
	Percentage of sealed roads providing a smooth and comfortable ride (measured by roughometer)	93% NZ network 84% (Source NZTA Road Assets)	At least 90%
	Roading and cycle networks are managed in an efficient and cost effective manner: i) Maintain and renew roads within approved allocation of District Land Transport Programme as generated from the Asset Management Plan ii) Road pavement and road surface condition indices meet or exceed national averages	N/A N/A	100% completion of annual programme National averages met
Urban streets and verges are clean and street furniture is in a usable condition	Monthly audit of CBD cleaning complies with performance criteria; (measured by litter, cleanliness and safety)	93.3% average monthly compliance	90% average monthly compliance
Roads and bridges are provided to a standard that results in an acceptable level of safety on the roading network for all road users	The number of crashes causing injuries is reduced.	61 (five year average)	59 (five year moving average)
Footpaths are provided that are safe, accessible and efficient for pedestrians	Percentage of customers satisfied with the condition of the footpath network	72% Peer Ave = 65%	Maintain satisfaction level
	Annual footpath programme completed on time	7.1 km of urban footpaths resurfaced	100% completion
	Monthly audit of footpath tasks complies with performance criteria (condition of paths)	98.2%	At least 95% compliance

What assets are used?

The road and street network consists of some 790 km of road, 243 bridges, 183 kms footpaths and 1,802 streetlights. As well there are nearly 4,000 culverts, over 1,000 kms of drainage channels and approximately 2,500 signs and road markers.

The footpath network consists of 37km of asphalt surface, 108km of chipseal surface, 35km of concrete surface and 3km of other surfacing.

Key Projects for 2010/11

Subsidised rural and urban roading renewals will continue at a cost of \$3,644,100.

The Manawa Bridge will be replaced at a projected cost of \$600,000.

The Masterton CBD footpath resurfacing project will be completed with the cost projected as \$331,000. In addition \$35,000 will widen one section of the footpath to minimise the slope.

TRANSPORT

Roads, Streets & Footpaths

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
	Operating Costs			
3,284,329	Road maintenance programme - subsidised	3,925,985	3,094,337	(831,648)
1,240,659	Non-subsidised road maintenance	1,214,753	1,256,964	42,211
353,276	Flood damage provision	325,000	341,000	16,000
4,656,057	Depreciation	4,048,800	4,633,000	584,200
9,534,321		9,514,538	9,325,301	(189,237)
	Operating Income			
1,686,325	Land Transport NZ subsidy (on maintenance)**	2,108,545	1,627,726	480,819
180,000	Local authority petrol tax	175,000	180,000	(5,000)
140,378	Other recoveries	181,000	135,500	45,500
2,006,703		2,464,545	1,943,226	521,319
	Appropriations			
-	Net transfer (from) flood damage fund	-	-	-
(171,460)	Transfers to/(from) reserves	(72,500)	(171,460)	(98,960)
110,474	Provision for loan repayments	93,800	97,559	3,759
(4,351,841)	Reverse depreciation***	(3,745,750)	(4,339,909)	(594,159)
\$3,114,791	Rates Requirement (Operational)	\$3,325,543	\$2,968,265	(357,278)

** Further subsidy income is shown in the Capital Expenditure Summary

*** Depreciation is reversed to arrive at the rates requirement. Renewals expenditure (shown in the Capital Expenditure Summary) is funded by rates income and LTNZ subsidies, hence depreciation on most roading assets is not funded again.

Parking Control

What do we do?

The Council owns and maintains off-street car park spaces and on-street metered time limit spaces. External staff are contracted to patrol their use and enforce restrictions.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide a range of on and off-street parking opportunities	Customer satisfaction with parking control services	78% Peer Ave: 62%	Maintain satisfaction level
	Total number of car parks patrolled	760 249 metered 511 time limited	At least = 2009/10
	Number of car parks designated as disability parks	18	At least = 2009/10
Promote and enforce fair & responsible parking use	Number of hours urban car parks are patrolled	7 hours Mon-Fri 3 Hours Sat	At least = 2009/10

What assets are used?

Council owns 249 parking meters, 511 on/off street time limit car parking spaces and 889 no time limit car parking spaces. The parking meters are valued at \$194,000 and the parking areas are valued at \$2,543,000.

Key Projects for 2010/11

Replacement of multi-bay and 'pot belly' parking meters

This work is timed to coincide with resealing the footpath. These will cost \$300,000 and ensure the activity continues to generate around \$30,000 net income per year.

Parking Control

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
150,290	Parking control costs	144,099	143,984	(115)
40,000	Depreciation - meters	20,000	20,000	-
190,290		164,099	163,984	(115)
	Operating Income			
243,667	Parking meters and fines	203,000	206,200	(3,200)
	Appropriations			
-	Transfers to reserves	-	-	-
4,155	Provision for loan repayments	3,240	3,842	602
(3,842)	Reverse depreciation	(3,080)	(3,842)	
(53,064)	Rates Requirement (surplus)	(\$38,741)	(\$42,216)	(3,315)

Hood Aerodrome

What do we do?

The Council manages and operates Hood Aerodrome for the benefit of commercial and recreational aircraft users from within and outside the District.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide and maintain the aerodrome to relevant Civil Aviation Authority design standards	Compliance with relevant Civil Aviation Authority Standards	100% compliance	100% compliance
Ensure all runways, approaches and open spaces are clear of obstacles, maintained to safe operating standards and available at all times to aircraft unless notified to users	Safe availability of runways, approaches and open spaces:		
	Compliance with inspection schedule	N/A new measure	100% requirements met
	Incidents of non-availability notified to users	N/A new measure	All occasions
Facilitate and encourage maximum use of the aerodrome and support facilities in a cost-efficient manner consistent with its strategic role as the Wairarapa's air transport hub	Annual usage levels	N/A – detailed activity only started being recorded in May 2008 so no full data available	Usage is no less than previous year

What assets are used?

One sealed runway with runway lighting and three grass runways are provided, along with navigational aids. There is a terminal building, a taxiway and hardstand. Additional open spaces are available for helicopter training, model aircraft flying and passive activities such as air shows. Land is also made available for leasing for hangar construction and other aviation related businesses.

Key Projects for 2010/11

Resealing of the Runway

The need for this work will be reassessed after the winter and the work may be deferred for a further year.

Providing connection to water and sewerage systems

This work will enable other airport users to link to the urban water supply and connect to the urban sewerage system.

Hood Airport

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
234,206	Airport operation & maintenance	229,731	235,843	6,112
41,225	Depreciation	54,600	51,000	(3,600)
275,431		284,331	286,843	2,512
	Operating Income			
221,704	Leases and other income	225,000	214,000	11,000
	Appropriations			
-	Transfers from reserves	(20,000)	(40,000)	(20,000)
52,909	Provision for loan repayments	69,800	49,753	(20,047)
(6,191)	Reverse depreciation	(4,800)	(6,191)	(1,391)
\$100,445	Rates Requirement	\$104,331	\$76,405	(27,926)

WASTE SERVICES

Wastewater

Stormwater

Solid Waste Management

Waste Services

Masterton District Council's Waste activities include Wastewater, Stormwater and Solid Waste Management.

WASTE SERVICES

LTCCP Yr 2	Rates Requirement Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
3,222,741	Urban sewerage system	3,128,733	2,343,265	(785,468)
42,288	Castlepoint sewerage scheme	42,650	43,200	550
58,062	Riversdale sewerage scheme	52,700	48,391	(4,309)
5,239,000	Riversdale capital contributions (incl interest)	2,673,000	-	(2,673,000)
13,437	Tinui sewerage scheme	42,050	8,210	(33,840)
315,639	Stormwater	323,029	309,518	(13,511)
348,312	Recycling collection	370,000	336,801	(33,199)
284,342	Urban landfill and transfer station	278,640	204,035	(74,605)
497,865	Waste minimisation	392,160	330,425	(61,735)
201,379	Rural refuse services	234,446	208,110	(26,336)
\$10,223,065	Rates Requirement	\$7,537,408	\$3,831,955	(3,705,453)

WASTE SERVICES

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
	Urban Sewerage system			
15,540,000	Homebush treatment plant development	19,820,000	900,000	(18,920,000)
1,864,800	Sewerage reticulation renewals	1,865,000	2,500,000	635,000
-	Sewerage step screen replacement	-	175,000	175,000
	Rural Sewerage schemes			
6,734,000	Riversdale sewerage system	5,020,000	1,000,000	(4,020,000)
82,880	Castlepoint sewerage	-	-	-
-	Tinui sewerage	-	50,000	50,000
	Stormwater			
207,200	Stormwater renewals provision	300,000	200,000	(100,000)
725,200	Stormwater upgrades provision	30,000	-	(30,000)
	Solid Waste Management			
-	Urban transfer station & site upgrade	430,000	430,000	-
207,200	Landfill closure	-	-	-
-	Recycling facilities	650,000	650,000	-
-	Rural transfer station upgrades c/fwd	-	70,000	70,000
-	Resource recovery centre	-	700,000	700,000
\$25,361,280		\$28,115,000	\$6,675,000	(21,440,000)
	Capital Funding			
(17,322,800)	Loan funds	(23,200,000)	(3,680,000)	19,520,000
(1,495,000)	External funds Riversdale SWSS subsidy	(1,495,000)	(425,000)	1,070,000
(1,097,280)	Transfer from reserves	(900,000)	(2,570,000)	(1,670,000)
(\$19,915,080)		(\$25,595,000)	(\$6,675,000)	18,920,000
\$5,446,200	Rates Requirement (Capital contributions)	2,520,000	-	(2,520,000)

Wastewater

What do we do?

The Council provides systems to collect and dispose of wastewater from residential, commercial and industrial properties in the urban area and the Waingawa industrial area.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide an efficient and effective wastewater system for the collection, transfer and disposal of wastewater in the Masterton, Tinui and Castlepoint areas, and in the future, at Riversdale Beach	Customer satisfaction with wastewater services	83% Peer Ave: 88%	Maintain satisfaction level and within 10% of peer group average
	Proportion of urgent wastewater service requests responded to within 6 hours of notification	92.6%	94%
	Renewal of disposal on connected properties within 12 hours	99% of incidents	More than 95% of incidents
	Alternative system provided where loss of service exceeds 24 hours	100% of occasions	100% of occasions
	Wastewater assets managed to the level specified and agreed in the AMP	Part achieved – delays deferred by need for additional information	Work/projects scheduled for 2010/11 are completed
	Complete a six-yearly sanitary services assessment of wastewater service provision in the District	Due 31/12/2011	Due 31/12/2011
Provide wastewater disposal that is acceptable, safe and has minimal environmental impact	Compliance with resource consents	100% compliant	100%
	Proportion of reported network failures that had environmental effects	0%	less than 1%

What assets are used?

The wastewater network and system consists of 150km pipes, four pump stations, one cross-river siphon with pumps, approximately 2,100 manholes, two treatment plants and a septic tank at Tinui with disposal to a constructed wetland.

Key Projects for 2010/11

Urban Wastewater Upgrade

The Urban Wastewater Upgrade is the most significant project in 2010/11 and will reduce the discharge of treated water into the Ruamahunga.

Reticulation Upgrades

We will be replacing and upgrading some of our pipes and connections that are at the end of their useful life.

Riversdale Sewerage Scheme

Work will commence shortly on the Riversdale scheme that will be gravity fed supplemented by pumps in low lying areas. This work is expected to be completed within the 2010/11 year.

WASTE SERVICES

Wastewater - urban

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
881,204	Sewerage reticulation	874,111	763,737	(110,374)
1,740,277	Wastewater treatment	1,649,022	1,153,678	(495,344)
1,182,100	Depreciation	1,265,350	1,206,850	(58,500)
3,803,581		3,788,483	3,124,265	(664,218)
	Operating Income			
350,168	User charges & lease income	251,000	338,000	(87,000)
	Appropriations			
(210,000)	Transfers to/(from) reserves	(243,000)	(215,000)	28,000
453,869	Provision for loan repayments	495,600	394,541	(101,059)
(474,541)	Reverse depreciation	(661,350)	(622,541)	38,809
\$3,222,741	Rates Requirement	\$3,128,733	\$2,343,265	(785,468)

Wastewater - rural

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
36,105	Castlepoint sewerage scheme	36,800	34,850	(1,950)
100,062	Riversdale sewerage scheme	225,200	88,391	(136,809)
7,485	Tinui sewerage scheme	7,280	7,336	56
20,250	Depreciation	32,750	19,000	(13,750)
163,902		302,030	149,577	(152,453)
	Operating Income			
4,817	User charges & other income	150	4,650	(4,500)
	Appropriations			
(30,000)	Transfer from reserves - Riversdale	(20,000)	(40,000)	(20,000)
953	Loan Repayment - Tinui	33,520	873	(32,647)
(16,250)	Reverse depreciation	(25,000)	(5,999)	19,001
\$113,788	Rates Requirement (Operational)	\$290,400	\$99,801	(190,599)

Stormwater

What do we do?

The Council provides systems to collect and dispose of stormwater from residential, commercial and industrial properties in the urban area. The stormwater systems in the rural area are largely open drains.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide an efficient and effective stormwater system to minimise the impact of heavy rainfall and reduce flooding risk	Customer satisfaction with stormwater services	79% Peer group average: 77%	Maintain satisfaction level
	Proportion of reported stormwater ponding incidents cleared within two days of a rainfall event ending	100%	100%
	Stormwater assets managed to the level specified and agreed in the AMP	Part achieved	Work/projects scheduled for 2010/11 are complete
	Complete a three- yearly assessment of wastewater service provision in the District	Due 30/6/2012	Due 31/12/2011
Deliver stormwater services in a manner that is acceptable, safe and has minimal environmental impact	Compliance with resource consents	100% compliant	100% compliant
	Proportion of reported stormwater/ flooding incidents that resulted in residual environmental effects	0%	Less than 1%

What assets are used?

The system consists of 33 kilometres of pipes, approximately 800 manholes and 4km of river stopbanks along the Waipoua and Ruamahanga Rivers. The Council also contributes to designated stopbank protection works on the Waipoua, Waingawa and Ruamahanga Rivers.

Key Projects for 2010/11

Stormwater capacity

Improvements to the capacity of the system are planned. Options for reducing flooding into the urban area will also be investigated.

WASTE SERVICES

Stormwater

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
271,742	Stormwater	274,949	285,518	10,569
226,500	Depreciation	226,500	224,000	(2,500)
498,242		501,449	509,518	8,069
	Operating Income			
-	User charges & other income	-	-	-
	Appropriations			
(140,000)	Transfer from reserves	(145,000)	(140,000)	5,000
82,391	Provision for loan repayment	85,000	74,994	(10,006)
(124,994)	Reverse depreciation	(118,420)	(134,994)	(16,574)
\$315,639	Rates Requirement	\$323,029	\$309,518	(13,511)

Solid Waste Management

What do we do?

The Council owns, maintains and manages transfer stations throughout the District, with waste transferred to Bonny Glen landfill near Marton. Former landfill sites are closed and monitored, Nursery Road landfill has some limited use. The current refuse collection, landfill and transfer operations, gate fee collection, composting, and recycling services at both Nursery Road and in the rural areas are carried out under performance-based contracts let by competitive tender to the private sector.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide solid waste management facilities and solutions across the District in accordance with the Solid Waste Management Plan for Wairarapa	% customers satisfied with the urban and rural transfer stations, recycling and composting facilities	79% Peer Ave: 66%	Maintain satisfaction level
	Proportion of advertised hours that the transfer stations and recycling centre is open to the public	100%	100%
	% customers satisfied with solid waste collection services	91% Peer average: 83%	Maintain satisfaction level
	Number of call-backs due to non-collection of official rubbish bag in each weekly collection	1 call back per 277 households	No more than one call-back per 200 urban households
	Tonnage of waste delivered for transfer is reduced annually*	12,764 tonnes delivered a decrease of 4% over previous year	7.5% per annum reduction
	The Solid Waste Management Plan for Wairarapa is reviewed	N/A – new measure	Waste reduction targets reviewed
Operate the rural and urban transfer, composting and recycling operations in a safe and environmentally sensitive manner	Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions	100% compliance	100% compliance
Assess the standard of District solid waste services every three years and upgrade urban and rural transfer stations, composting facilities and landfills where necessary	Complete a three yearly assessment of wastewater service provision in the District	Due by 30/6/2012	Due 31/12/2011

*measured from a 1992/93 base of 25,000 tonnes per annum

What assets are used?

The Council has one main transfer station and former landfill site at Nursery Road and three transfer stations (Mauriceville, Castlepoint and Riversdale), including associated buildings and a weighbridge at the urban transfer station.

The Council will consult with rural communities on options for rural solid waste services including closure of the Mauriceville transfer station.

Key Projects for 2010/11

New Recycling facilities

An upgraded facility for receiving, sorting and storing recyclable materials is planned for 2010/11.

Management of Landfill

The Nursery Rd landfill has limited use under the current consent and is effectively closed. It needs to be covered, planted and have on-going monitoring. The covering work has been deferred to 2011/12 awaiting consent conditions.

WASTE SERVICES

Solid Waste Management

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
	Operating Costs			
479,163	Urban refuse collection costs	390,568	463,802	73,234
32,116	Nursery Rd landfill operation & closure	46,000	31,000	(15,000)
1,976,753	Transfer station operation & refuse disposal	1,934,080	1,820,835	(113,245)
1,010,458	Waste minimisation (incl recyc & composting)	967,160	851,821	(115,339)
229,316	Rural refuse operations	246,521	236,338	(10,183)
3,727,806		3,584,329	3,403,796	(180,533)
	Operating Income			
1,593,161	User charges - external	1,650,000	1,537,800	112,200
318,052	User charges - internal	244,000	307,000	(63,000)
480,499	Recoveries from bag sales	388,000	463,802	(75,802)
2,391,712		2,282,000	2,308,602	(26,602)
	Appropriations			
(25,000)	Transfers from reserves	(10,000)	(25,000)	(15,000)
-	Transfers to reserves	-	-	-
64,406	Provision for loan repayment	33,500	31,374	(2,126)
(43,601)	Reverse depreciation	(50,583)	(22,197)	28,386
\$1,331,899	Rates Requirement	\$1,275,246	\$1,079,371	(195,875)

WATER SERVICES

Urban and Rural Water Supplies

Water Services

Masterton District Council's Water services include Water Supplies in both urban and rural areas.

WATER SERVICES

LTCCP Yr 2	Rates Requirement Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
2,300,725	Masterton urban water supply	2,271,307	2,110,444	(160,863)
9,013	Tinui water supply	12,570	12,400	(170)
19,845	Opaki water race	17,350	12,490	(4,860)
15,126	Te Ore Ore water race	24,200	16,160	(8,040)
13,588	Miscellaneous rural water costs	19,780	16,320	(3,460)
\$2,358,297	Rates Requirement	\$2,345,207	\$2,167,814	(177,393)

WATER SERVICES

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
	Urban water treatment			
67,340	Water treatment plant & equip. replacement	75,000	10,000	(65,000)
10,360	Water treatment bldgs & grounds	10,000	65,000	55,000
-	Water treatment - clear water tank bypass	-	220,000	220,000
984,200	Water treatment filter refurbishment	985,000	50,000	(935,000)
362,600	Water trunk mains renewals	360,000	250,000	(110,000)
	Urban water reticulation			
424,760	Water main & reservoir renewals	425,000	10,000	(415,000)
207,200	Water connections renewals	207,000	200,000	(7,000)
	Rural water supplies			
56,980	Wainuioru water supply	57,000	15,000	(42,000)
41,440	Tinui water supply	-	-	-
\$2,154,880		\$2,119,000	\$820,000	(\$1,299,000)
	Capital Funding			
(1,129,240)	Transfers from reserves	(1,134,000)	(550,000)	(584,000)
(41,440)	External funds	-	-	-
(984,200)	Loan funds	(985,000)	(270,000)	(715,000)
(\$2,154,880)		(\$2,119,000)	(\$820,000)	(1,299,000)

Urban and Rural Water Supplies

What do we do?

The Council provides appropriately treated water to the urban reticulation system and to the Waingawa industrial area, and provides and maintains an effective, economic and secure distribution system for drinkable water. It also supports the provision of non-drinking and water-race supplies in rural areas.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide efficient and effective water supply systems.	Customer satisfaction with urban water supply services	84% Peer group average: 88% (within margin of error)	Maintain satisfaction and equal or exceed peer group average
	Proportion of the time that treatment plants are able to receive and treat raw water	100%	100%
	Supply is restored within four hours following a planned or emergency shutdown	95% target met	More than 95% of shutdowns
	An alternative water supply is provided when shutdown exceeds 24 hours	No shutdowns exceeded 24 hours	100% of occasions
	Water supply assets managed to the level specified and agreed in the Asset Management Plan	Filter refurbishment delayed and no water reticulation renewals were undertaken	Work/projects scheduled for 2010/11 are completed
	Complete a six-yearly assessment of water service provision in the District	Due: 2012	Due: 2012
Provide water supply services in a way that is acceptable, safe and has minimal environmental impact.	Compliance with NZ Drinking Water Standards for urban supply	100% compliant	100% compliant
	Compliance with NZ Drinking Water Standards microbiological criteria for Tinui rural supply	100% compliant	100% compliant
	Compliance with resource consents for drawing water	100% compliant	100% compliant
	Proportion of fire hydrants connected to the Masterton supply network that comply with the NZ Fire Service Fire Fighting Water Supplies Code of Practice	100% compliant	At least 99%

What assets are used?

The Council owns and maintains 160 kilometres of water mains, eight kilometres of trunk mains, one clear water tank, two reservoirs, and two timber storage tanks, booster tanks and water treatment facilities at Masterton (Kaituna) and Tinui. The Council also supports a small number of communally-owned rural water schemes.

Key Projects for 2010/11

Improvements to Water Supply System

To repair leaks and restore the water system's capacity, \$992,000 has been allocated to trunk, water main and reticulation renewals.

Water treatment plant filters are scheduled for refurbishment at a cost of \$985,000.

WATER SERVICES

Urban Water Supply

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
1,023,189	Water treatment costs	1,000,321	921,318	(79,003)
616,611	Water reticulation costs	617,786	592,226	(25,560)
924,775	Depreciation	939,500	921,900	(17,600)
2,564,575		2,557,607	2,435,444	(122,163)
	Operating Income			
113,960	User charges & recoveries	90,000	110,000	(20,000)
	Appropriations			
-	Transfer from reserves	-	-	-
141,485	Provision for loan repayment	123,700	131,375	7,675
(291,375)	Reverse depreciation	(320,000)	(346,375)	(26,375)
\$2,300,725	Rates Requirement	\$2,271,307	\$2,110,444	(160,863)

Rural Water Supplies

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
194,634	Rural water supplies & races	175,600	187,870	12,270
38,138	Depreciation & decline in service	39,850	39,750	(100)
232,772		215,450	227,620	12,170
	Operating Income			
151,378	Rural water scheme charges	138,800	146,500	(7,700)
	Appropriations			
(21,072)	Transfer from reserves	-	(21,000)	-
(2,750)	Reverse depreciation	(2,750)	(2,750)	-
\$57,572	Rates Requirement (Operational)	\$73,900	\$57,370	4,470

COMMUNITY SERVICES

Community Services

Library and Archive

COMMUNITY SERVICES

LTCCP Yr 2	Rates Requirement Summary	Annual Plan	Prior Yr Plan	Variance
		2010/11	2009/10	
\$		\$	\$	\$
1,108,199	Library	1,122,560	1,086,106	(36,454)
226,473	Archives	206,571	222,731	16,160
419,681	Community Development	350,224	372,815	22,591
320,689	Arts and Culture	326,569	326,623	54
522,394	Economic Development and Promotion	556,661	530,273	(26,388)
\$2,597,436	Rates Requirement	\$2,562,585	\$2,538,548	(24,037)

COMMUNITY SERVICES

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan	Prior Yr Plan	Variance
		2010/11	2009/10	
\$	Library & Archive	\$	\$	\$
135,716	Book purchases	135,700	131,000	(4,700)
30,044	Computer system upgrades	32,000	33,000	1,000
41,440	Software upgrades	-	-	-
	Building upgrades	15,000	45,000	30,000
2,072	Furniture upgrades	5,000	17,300	12,300
	Airconditioning upgrade			-
\$209,272		\$187,700	\$226,300	38,600
	Capital Funding			
(209,272)	Transfers from reserves	(187,700)	(226,300)	(38,600)
(\$209,272)		(\$187,700)	(\$226,300)	(38,600)

Community Services

What do we do?

Community Services cover a range of activities including community development, art and culture, economic development, district promotion and environmental initiatives. The Council does not provide these services directly but plays a major role in identifying, initiating and supporting activities through partnerships and funding agreements.

Performance Measures

Level of Service	Performance Measures	Baseline: 2007/08	Performance Targets 2010/11
Support and encourage community development initiatives and services	Provide funding to support community groups to deliver services for the benefit of the community at 2% of rates distributed for community development activities	2.1% of rates allocated to community development activities	2% of rates allocated to community development activities
	All funds distributed comply with the Community Development Policy	100% compliance with policy	100% compliance with policy
	Grants recipients meet accountability requirements, with those receiving over \$20,000 reporting to the Audit Committee.	100% compliance	100% compliance
Initiate and support collaborative action and strategies to respond to community issues both directly in Masterton and Wairarapa-wide	Collaborative activities are reported at least annually	Reporting requirements met	Reporting requirements met
	The Council receives annual progress reports on: Implementation of the Wairarapa Physical Activity Plan; Implementation of the Wairarapa Arts, Culture and Heritage Strategy	Reporting requirements met	Reporting requirements met.
	The Council receives six-monthly progress reports on: Activities of the Masterton Safe and Healthy Community Council including Violence Free Wairarapa; Sport Wellington Wairarapa	Reporting requirements met	Reporting requirements met.
	The Council receives quarterly progress reports from: Wairarapa Cultural Trust (Aratoi); Destination Wairarapa	Reporting requirements met	Reporting requirements met
Seek funding partners to support local initiatives	Funds attracted from government and philanthropic sources to achieve community outcomes meet reporting requirements of: SPARC for allocation of Rural Travel Fund; Crime Prevention Unit for the Youth Action Project; Creative NZ for allocation of the Creative Communities fund	Reporting requirements met	Reporting requirements met

Performance Measures Cont'd

Level of Service	Performance Measures	Baseline: 2007/08	Performance Targets 2010/11
Support and encourage economic development	Destination Wairarapa reports tourism activities and outcomes	Overnight visitor numbers 120,272 in 2007	Quarterly
Support and encourage environmental initiatives	The impact of investment into environmental initiatives is reported annually	N/A – new measure	Annual report
	Satisfaction with the natural environment	69%	70%

Key Projects for 2010/11

Preparing for Events

Planning to participate in the Rugby World Cup in August to October in 2011 will occur this year. Masterton will host the Georgian rugby team for five days during the World Cup.

We will be looking at how Masterton can participate in the 'stadium of four million people'. Some funding has been allocated to making the most of opportunities provided through the World Cup.

Masterton will host the World Shearing Championship in March 2012. Golden Shears in 2011 will act as a dress rehearsal for the World Championships with the aim of increasing community involvement and providing a memorable visitor experience.

Economic Development

The Council has funded the Chamber of Commerce to promote economic development to meet targets that will be agreed by the two parties.

The Council will also contribute \$10,000 to further studies on the irrigation project that has potential to increase jobs and production for the Wairarapa.

COMMUNITY SERVICES

Community Development

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
534,441	Community development grants & operating costs	571,804	573,745	1,941
	Operating Income			
62,760	Government grants - specific programmes	60,580	60,580	-
	Appropriations			
(52,000)	Transfers from reserves	(161,000)	(140,350)	20,650
\$419,681	Rates Requirement	\$350,224	\$372,815	22,591

Arts & Culture

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
339,855	Arts & Culture	360,069	345,123	(14,946)
	Operating Income			
19,166	Creative NZ grants	33,500	18,500	15,000
	Appropriations			
-	Transfers from reserves	-	-	-
\$320,689	Rates Requirement	\$326,569	\$326,623	54

Economic Development & Promotion

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
675,422	Economic development & promotion	740,661	691,273	(49,388)
108,052	CBD Amenities	91,000	99,000	8,000
783,474		831,661	790,273	(41,388)
	Operating Income			
31,080	Events grants & other recoveries	15,000	30,000	(15,000)
	Appropriations			
(215,000)	Transfers from reserves	(245,000)	(215,000)	30,000
(15,000)	Reverse depreciation	(15,000)	(15,000)	-
\$522,394	Rates Requirement	\$556,661	\$530,273	(26,388)

Library and Archive

What do we do?

The Council owns and maintains a library and provides an archive service from rented premises.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide books, reference and audio-visual materials and Internet access appropriate to the needs and interests of the community.	Resident satisfaction with library services	81% satisfied (Peer group 90%)	Within 10% of peer group satisfaction
	The library service is managed efficiently: Turnover at least 5 times per item.		Turnover at least 5 times per item.
Provide access to online services and databases through the Home Page and the Library Database to support the leisure reading and information needs of the community.	The library collection is constantly updated and appropriately sized for the District:		
	New books added to the collection annually	6,156 new titles – 10% of collection	10% of collection less than one year old
	ii) Number of new items added to the collection annually	272 per 1000 residents	270 per 1000 residents
	iii) The number of resources – books, DVDs etc – in the collection (national average 3.3 per resident)	2.7 per person	2.7 per person
Provide programmes to encourage and promote literacy, numeracy and learning in the community for pre-school, school age children and seniors and Maori language	Participants are satisfied with children's summer reading, maths; seniors and Te Reo programmes	Satisfaction not measured 80% completion rate for junior programmes	85%
Provide archival services to protect and promote Wairarapa history with material stored to National Archive's minimum standards	Archived material is protected for future generations:		
	i) Optimum standards for storage of archival material are maintained	Standards met 100% of time 10 articles produced	99% of time 6+ articles per year
	ii) History articles published in local media		

What assets are used?

The library and archive assets consist of the library building, books and resources, archive materials and equipment.

Key Projects for 2010/11

Closer co-operation with other libraries

The library is joining a shared managed service with libraries in the southern North Island who use the same library management system for storing their information. Library users are expected to be able to search, borrow and return books and items from other libraries in the shared group in the future.

There will be no additional cost to moving to a shared managed service and no increased cost for five years. We expect to increase our purchasing power and share expertise across the libraries.

Kete Masterton

The library will be encouraging groups and people to contribute to Kete Masterton. This is an online repository that can be used by the people and organisations of Masterton to digitally capture and preserve their records, stories and images in their own ketes (baskets of information).

COMMUNITY SERVICES

Library & Archive

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
		\$	\$	\$
	Operating Costs			
1,051,397	Operating costs - Library	1,071,760	1,019,006	(52,754)
222,275	Operating costs - Archive	231,471	248,931	17,460
127,200	Depreciation - books	135,700	131,000	(4,700)
109,403	Depreciation - bldg, furniture & equipment	95,300	110,000	14,700
1,510,275		1,534,231	1,508,937	(25,294)
	Operating Income			
89,718	Grants & donations	29,000	86,600	(57,600)
85,885	User charges & other recoveries	176,100	113,500	62,600
175,603		205,100	200,100	5,000
	Appropriations			
-	Transfer from reserves	-	-	-
\$1,334,672	Rates Requirement	\$1,329,131	\$1,308,837	(20,294)
	Analysis of Rates Requirement			
1,108,199	Library	1,122,560	1,086,106	(36,454)
226,473	Archive	206,571	222,731	16,160
\$1,334,672		\$1,329,131	\$1,308,837	(20,294)

COMMUNITY FACILITIES

Property

Parks, Reserves and Sportsfields

Genesis Energy Recreation Centre

Cemeteries

Community Facilities

Masterton District Council's Community Facilities activities include property, parks, reserves and sportsfields, Genesis Energy Recreation Centre and cemeteries.

COMMUNITY FACILITIES

LTCCP Yr 2	Rates Requirement Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
1,673,272	Parks, reserves & sportsfields	1,568,468	1,562,757	(35,711)
1,045,076	Genesis Energy Recreation Centre	990,941	997,994	7,053
64,965	Cemeteries	59,456	64,206	4,750
268,932	District building	277,855	248,985	(28,870)
161	Housing for the elderly	174	139	(35)
115,435	Other rental properties	91,095	92,662	1,567
66,507	Mawley Park	121,855	56,483	(65,372)
237,329	Public conveniences	226,256	221,298	(4,958)
81,869	Rural halls	76,840	75,440	(1,400)
26,211	Forestry	24,700	25,300	600
\$3,579,757	Rates Requirement	\$3,437,640	\$3,345,264	(122,376)

COMMUNITY FACILITIES

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Parks, Reserves & Sportsfields	\$	\$	
269,360	Q E Park - renewal programme	185,000	80,400	(104,600)
-	Q E Park - replace Dixon St toilets	157,000	153,000	(4,000)
10,360	Cemetery upgrades (incl. in operating)	-	40,000	40,000
15,540	Street trees additions & replacements	15,000	15,000	-
51,800	Castlepoint seawall stage II	260,000	235,500	(24,500)
46,620	Henley Lake developments	50,000	175,000	125,000
41,440	Recreational trails	40,000	40,000	-
4,144	Urban reserves upgrades	5,000	43,000	38,000
10,360	Rural reserves upgrades	10,000	-	(10,000)
-	Sportsfield building upgrades	20,000	44,000	24,000
	Genesis Energy Recreation Centre			-
16,317	Recreation centre - projects	26,000	120,750	94,750
	District Building			-
77,700	Facilities & equipment	77,700	23,800	(53,900)
10,360	Building upgrades	10,400	26,000	15,600
-	Office space alterations c/fwd	170,000	170,000	-
-	Town hall stage equipment upgrade c/fwd	125,000	120,000	(5,000)
	Housing for the Elderly			-
96,866	Pensioner housing upgrades	97,000	86,000	(11,000)
	Other Property			-
286,972	Public conveniences	229,100	9,000	(220,100)
68,376	Property upgrades	68,200	56,000	(12,200)
279,720	Mawley Park facility upgrades	1,200,000	310,000	(890,000)
\$1,285,935		\$2,745,400	\$1,747,450	(997,950)
	Capital Funding			
(560,911)	Transfer from reserves	(1,436,800)	(1,385,450)	51,350
(725,024)	Loan funds	(1,208,600)	(362,000)	846,600
-	External funding (Cspt residents)	(100,000)	-	100,000
(\$1,285,935)		(\$2,745,400)	(\$1,747,450)	997,950
-	Rates Requirement	-	-	

Property

What do we do?

The Council owns, maintains and manages a range of property within the District including the Municipal Building, Town Hall, pensioner housing, public toilet facilities, rural halls and holding paddocks, small roadside forestry blocks, other rental properties and a camping ground.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Maintain and manage all property to a standard that complies with regulatory requirements of the Building Act and with standards for fire safety	Value and condition of public buildings are maintained in a cost-effective manner:		
	Proportion of properties inspected annually and condition ratings updated.	100% of properties inspected & assessed	100% of properties inspected
	Public buildings are safe and clean for public use:		
	i) All relevant properties have a current building warrant of fitness	Not achieved: Building certification in progress at year end.	100% compliance
	ii) Cleaning contracts for the Municipal Building and public toilets comply with monthly performance criteria	Monthly	95% compliance
Provide pensioner housing to people of modest means as a self-funding activity	All pensioner units are fully occupied, averaged over all complexes, excluding refurbishment periods	96% occupancy	Minimum annual occupancy 95%
Manage tenancy arrangements in accordance with the Tenancy Agreement Act	There is no nett cost to the ratepayer for pensioner housing	100% user pays	100% user pays
	Compliance with the Tenancy Act	100% – No complaints upheld	100% – No complaints upheld
Provide a Town Hall, with meeting and function rooms for public use and the basic equipment needed for stage productions	Town Hall facilities are operational for all bookings	100%	100%
Provide sanitary public toilets	Public toilets have acceptable quality water and appropriate wastewater treatment.	N/A – new measure	Compliance with 2006 Sanitary Services Assessment

What assets are used?

The Municipal Building located in Chapel Street provides office accommodation for the Mayor and Council staff, the Town Hall and a variety of meeting rooms.

Housing for the elderly includes 41 bed-sitter units, 23 one-bedroom units and 10 one-double bedroom units situated in Ngaumutawa Road, Chapel Street and Laurent Place. The homestead at Panama provides communal space as well as accommodation for the custodian.

There are also four one-bedroom rental flats and seven other houses for public rental, 13 public toilet facilities; seven rural halls; rural holding paddocks, small forestry blocks, rural parcels, a camping ground and development land located throughout the District.

Key Projects for 2010/11

Town Hall Upgrade

Work on upgrading the Town Hall was deferred while a study was undertaken to ascertain likely future users as a result of the new Wairarapa College auditorium that has a larger audience capacity, a larger stage and superior backstage facilities to the Town Hall.

The planned work will be reviewed in light of that study. Health and safety issues require an upgrade of the stage facilities. Users of the hall have also requested upgrades to sound systems, seating, air conditioning and improvements to backstage facilities to improve the level of service delivered.

Office Improvements

A proposed upgrade to the Municipal Building will see the Council Chamber located in the Frank Cody Lounge. The upgrade would also include improved environmental standards, energy efficiencies and increase flexibility for the future.

Bentley St Re-Roof

The depot in Bentley Street has an asbestos roof. To reduce associated health and safety risks, a re-roof programme has been scheduled.

Mawley Park Upgrade

The Council aims to complete a major part of upgrade in time for the Rugby World Cup and World Shearing Championships. The remainder of the work will be completed in 2011/12

COMMUNITY FACILITIES

District Building

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
345,553	Operation & maintenance	340,055	332,685	(7,370)
154,761	Depreciation	158,000	145,500	(12,500)
500,314		498,055	478,185	(19,870)
	Operating Income			
60,502	Rental income - halls and meeting rooms	49,400	58,400	(9,000)
176,950	Internal recoveries - offices rental	170,800	170,800	-
237,452		220,200	229,200	(9,000)
	Appropriations			
-	Transfers from reserves	-	-	-
55,065	Provision for loan repayments	49,243	48,995	(248)
(48,995)	Reverse depreciation	(49,243)	(48,995)	248
\$268,932	Rates Requirement	\$277,855	\$248,985	(28,870)

COMMUNITY FACILITIES

Housing for the Elderly

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
307,181	Operation & maintenance	291,200	290,784	(416)
146,112	Depreciation	222,000	141,800	(80,200)
453,293		513,200	432,584	(80,616)
	Operating Income			
343,171	Rental income	360,950	331,245	29,705
	Appropriations			
(55,000)	Transfers from reserves	(50,000)	(45,000)	5,000
10,099	Provision for loan repayments	10,099	9,560	(539)
(65,060)	Reverse depreciation	(112,175)	(65,760)	46,415
\$161	Rates Requirement	\$174	\$139	(35)

COMMUNITY FACILITIES

Other Property

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
578,478	Operation & maintenance (properties)	558,886	563,194	4,308
31,848	Mawley Park campground	82,855	23,483	(59,372)
158,293	Depreciation	189,200	146,700	(42,500)
768,619		830,941	733,377	(38,192)
	Operating Income			
138,249	Rental income	144,445	147,445	(3,000)
2,072	Mawley Park campground (net)	9,000	2,000	7,000
-	Forestry harvest proceeds	-	-	-
51,800	Internal recoveries - roadside forestry	40,000	50,000	(10,000)
192,121		193,445	199,445	(6,000)
	Appropriations			
(24,750)	Transfers from reserves	(24,750)	(24,750)	-
27,590	Provision for loan repayments	25,850	24,058	(1,792)
(54,058)	Reverse depreciation	(97,850)	(62,058)	35,792
\$525,280	Rates Requirement	\$540,746	\$471,182	(10,192)

Parks, Reserves and Sportsfields

What do we do?

The Council owns, maintains and manages 215 hectares of urban and rural recreation parks, reserves and sportsfields. These include sports grounds, gardens, neighbourhood open spaces, natural bush, and beachfront esplanades.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide a range of parks, open spaces, sports fields and amenity areas to standards that meet expectations of community and specific user groups (e.g. various sporting codes).	Percentage of residents satisfied with the service	89% Peer group average 94%	Maintain satisfaction and remain within 10% of peer group average
	Percentage of users satisfied with the service		
	Percentage of households who have visited a park in the past year	91%	91%
	Sports Turf meets standard agreed with sports code	N/A – new measure	95% of playing season
Provide safe, enjoyable and accessible buildings, playgrounds, park furniture and signage to satisfy community needs	All playgrounds meet safety standards	100%	100%
	Service requests are acknowledged within five working days	N/A – new measure	100%
	Buildings have a current WOF	N/A – new measure	100%
Provide and utilise Reserve Management Plans and associated strategy and policy documents	Reserves have current Management Plans (reviewed five-yearly)	N/A – new measure	95%

What assets are used?

The Council manages 67 urban reserves, eight urban sportsfields, five rural recreation reserves, and many road and esplanade reserves including Riversdale Beach. The Council also manages and maintains over 1300 street trees, 1593m² of annual bedding, and 18230m² of shrub plots, which include roundabouts and carpark gardens.

Key Projects for 2010/11

Removal of Public Toilets

The 24-hour toilets on Dixon St will be removed after a new 24-hour toilet is erected in SH2. New toilets in Queen Elizabeth Park behind the miniputt provide a quality toilet service in the park.

Recreation Trail

Recreation trails will be further developed in 2010/11 in response to increased demand for facilities that encourage physical activity.

Castlepoint Protection

In this year we expect to complete work on protection of the foreshore and dunes at Castlepoint.

COMMUNITY FACILITIES

Parks, Reserves & Sportsfields

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
1,154,479	Parks & reserves maintenance	1,098,288	1,130,413	32,125
448,409	Sportsfields maintenance	416,129	415,644	(485)
311,041	Depreciation	349,000	288,400	(60,600)
1,913,929		1,863,418	1,834,457	(28,961)
	Operating Income			
44,030	Miscellaneous parks income	34,300	42,500	(8,200)
27,144	Sportsground rentals	25,850	26,200	(350)
71,174		60,150	68,700	(8,550)
	Appropriations			
(130,000)	Transfers from reserves	(135,000)	(168,000)	(33,000)
15,000	Transfers to reserves	-	15,000	(15,000)
34,552	Provision for loan repayments	36,000	34,035	(1,965)
(89,035)	Reverse depreciation	(135,800)	(84,035)	51,765
\$1,673,272	Rates Requirement	\$1,568,468	\$1,562,757	(35,711)

Genesis Energy Recreation Centre

What do we do?

The Council owns and maintains the Genesis Energy Recreation Centre which consists of a stadium and a range of indoor and outdoor pools. A contractor manages the facility and also operates a gymnasium on the premises.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide a range of aquatic and indoor stadium-based services that meet facility user and community expectations	i) Satisfaction of residents with the service	63%	Maintain satisfaction levels
	ii) Satisfaction of facility users with the service	82%	Maintain satisfaction levels
	Proportion of households using the service	55%	Exceed peer group average
Plant and equipment, structures, buildings and furniture are safe and in good condition	Building has a current Warrant of Fitness	N/A – new measure	100%
	Programmed and reactive maintenance completed within agreed times	85%	85%
Pool is safe and water is comfortable for bathers and ensures longevity of plant, building and equipment	Disinfection and microbiological test results are within NZS 5826 or agreed range	New	85%
	Water is chemically balanced plus or minus 1 Langelier Point	New	85%
	Lifeguards and water treatment staff hold current qualifications	New	95%

What assets are used?

The Genesis Energy Recreation Centre consists of a seven-lane indoor heated swimming pool, complete with a graded ramp for easy access; a 60-metre long hydroslide; a second indoor five-lane pool; lazy river with beach access; spa pool; sauna; indoor and outdoor toddlers' pools and lido pool slide with exterior toilet facilities. On the upper floor, which is accessible by elevator, there is space for a health and fitness centre. The stadium is available for one-off events and programmes, as well as on a regular basis for sports clubs and community groups.

Key Projects for 2010/11

Provision of a VIP Lounge for the stadium will be investigated.

COMMUNITY FACILITIES

Genesis Energy Recreation Centre

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
932,354	Recreation centre operating costs**	851,816	903,194	51,378
363,608	Depreciation	381,700	357,700	(24,000)
1,295,962		1,233,516	1,260,894	27,378
	Operating Income			
73,556	Grants & recoveries	79,000	71,000	8,000
	Appropriations			
35,023	Provision for loan repayments	56,100	32,353	(23,747)
(212,353)	Reverse depreciation	(219,675)	(224,253)	(4,578)
\$1,045,076	Rates Requirement	\$990,941	\$997,994	7,053

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

Cemeteries

What do we do?

The Council owns and maintains both urban and rural cemeteries.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide sufficient cemeteries to meet the demand for burial and cremation services and to satisfy community expectations for a place of remembrance	General satisfaction with cemeteries	62% Peer Group 73%	Maintain satisfaction and keep within 10% of peer group satisfaction
	Satisfaction amongst those who have visited a cemetery	78%	75-80%
Provide appropriate cemetery services and ensure that buildings, furniture, signage, green space and hard surfaces are safe and presentable	Compliance with the Burial & Cremations Act 1964	100%	100%
	Proportion of time that cemetery management contracts are met each month	95+%	95%
Provide public information on burial records	Accurate online access to burial records	N/A	100% accuracy within 30 days of burial

What assets are used?

There are six cemeteries in the Masterton District. These are: Masterton Cemetery (also known as Archer Street Cemetery), Pioneer Cemetery (Historic), Riverside Cemetery, Tinui Cemetery, Mauriceville West Cemetery (closed), and Hastwell Cemetery.

COMMUNITY FACILITIES

Cemeteries

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
157,776	Cemeteries operating and maintenance	148,216	153,966	5,750
	Operating Income			
87,811	Burial fees and sale of plots	78,760	84,760	(6,000)
	Appropriations			
10,000	Transfer to reserves		10,000	10,000
(15,000)	Transfer from reserves	(10,000)	(15,000)	(5,000)
\$64,965	Rates Requirement	\$59,456	\$64,206	4,750

REGULATORY SERVICES

Resource Management and Planning

Building Control

**Environmental Health, Liquor Licensing and
Inspection**

Animal Control

Rural Fire Control

Civil Defence and Emergency Management

Regulatory Services

Masterton District Council's Regulatory Service activities include resource management and planning, building control, environmental health, liquor licensing and inspection, animal control, rural fire control and civil defence and emergency management.

REGULATORY SERVICES

LTCCP Yr 2	Rates Requirement Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
529,827	Resource Management and Planning	557,508	520,121	(37,387)
83,964	Building Control	153,007	30,075	(122,932)
240,432	Environmental Health & Licensing	272,079	259,015	(13,064)
73,983	By-law Control & General Inspection	66,735	63,940	(2,795)
184,100	Rural Fire Control	172,346	190,740	18,394
11,071	Animal Control	10,004	9,150	(854)
159,834	Emergency Management	156,085	148,951	(7,134)
\$1,283,211	Rates Requirement	\$1,387,764	\$1,221,992	(165,772)

REGULATORY SERVICES

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
		\$	\$	\$
	Capital Projects			
88,060	Fleet vehicle replacements	88,000	85,000	
6,216	Rural fire - vehicles & stations	6,200	21,000	
7,252	Environmental Health equipment	7,250	17,000	
3,108	Emergency management equipment	3,100	3,000	
\$104,636		\$104,550	\$126,000	
	Capital Funding			
(3,000)	External capital funding	-	(3,000)	(3,000)
(101,636)	Transfer from reserves	(104,550)	(100,600)	3,950
(\$104,636)		(\$104,550)	(\$103,600)	\$950

Resource Management and Planning

What do we do?

Council staff implement planning policies and manage the planning functions. This includes administering the resource consent process, maintaining and developing the District Plan and providing advice on specific planning issues as required.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Carry out Council's legal responsibilities under the Resource Management Act and implement the District Plan, including: <ul style="list-style-type: none"> • Resource consents • Land Information Memoranda and Project Information Memoranda • Assessing heritage applications • Consulting and educating the community • Protecting significant indigenous vegetation and habitats of indigenous fauna • Protecting outstanding landscapes 	Resource consents are processed within the requirements of the Resource Management Act:		
	i) % non-notified consents completed on time	72%	90%
	ii) % notified consents completed on time	50%	80%
	iii) % Land Information Memoranda completed on time	100%	100%
	iv) % Project Information Memoranda completed on time	92%	100%
cont'd			

Performance Measures Cont'd

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
cont'd from previous page	<p>Consultation processes are consistent with the Resource Management Act and principles of the Treaty of Waitangi:</p> <p>i) All affected parties are notified.</p> <p>ii) Information is available on the Wairarapa Combined District Plan</p>	<p>Iwi representatives invited to staff resource planning and notified when affected parties</p> <p>N/A – new measure</p>	<p>No justified complaints of non-notification</p> <p>Information on status available; Information on requirements available when plan is operational</p>
	<p>An environmentally sustainable District Plan meets the requirements of the RMA and Masterton District residents:</p> <p>i) The effectiveness of the Combined District Plan is monitored.</p> <p>ii) Continuous review of the District Plan by the Joint Committee</p> <p>iii) Implement programme for indigenous biodiversity strategy</p> <p>iv) Implement programme for protection of outstanding landscapes</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>Monitoring programme established</p> <p>A strategy for review prepared</p> <p>Priorities agreed</p> <p>Significant areas of indigenous vegetation and habitats of indigenous fauna identified</p>
Monitor all Land Use and Subdivision Consent conditions-	<p>Monitor all consents to ensure satisfactory compliance with consent conditions:</p> <p>i) Proportion of land use and subdivision consent conditions complying within the frame</p> <p>ii) Proportion of written complaints responded to within 10 working days</p>	<p>100%</p> <p>100%</p>	<p>100%</p> <p>100%</p>
Prepare and utilise Management Plans as required	<p>Complete a Management Plan for Castlepoint</p> <p>Prepare a Draft Management Plan for Riversdale Beach</p>	<p>N/A</p> <p>Initial consultation document prepared and sent to ratepayers and residents of Riversdale Beach</p>	<p>Progress report due December 2010</p>

What assets are used?

Resource management and planning assets consist of the trained personnel required to undertake this activity.

Key Projects for 2010/11

Landscape

Implementation of the Wairarapa Combined District Plan will include identifying and securing significant indigenous vegetation and habitats for long term protection.

Production of Operational District Plan

Masterton's share of costs for incorporating the changes into the plan, printing and promoting the Wairarapa Combined District Plan are expected to total \$65,400, to be funded from rates and resource consent fees.

REGULATORY SERVICES

Resource Management & Planning

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
606,017	Resource management & planning	590,608	573,621	(16,987)
62,160	Wairarapa Combined District Plan (MDC share)	65,400	170,000	104,600
668,177		656,008	743,621	87,613
	Operating Income			
119,658	User charges - consent fees & recoveries	125,500	115,500	10,000
286,972	Development & reserves contributions	310,000	277,000	33,000
20,720	Internal recoveries	20,000	20,000	-
427,350		455,500	412,500	43,000
	Appropriations			
289,000	Transfer to reserves - various contributions	357,000	289,000	(68,000)
-	Transfer from reserves - project funding	-	(100,000)	(100,000)
\$529,827	Rates Requirement	\$557,508	\$520,121	(37,387)

Building Control

What do we do?

Council staff and contractors undertake regulatory functions such as administering building consents and monitoring and enforcing compliance with the building code.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Carry out Council's legal responsibilities under the Building Act	Compliance with the NZ Building Code for all work issued with a building consent.	N/A	100%
Receive and process applications for Building Consents and Project Information Memoranda to ensure compliance with the building code and within the statutory time frames-	Building consents are processed within the requirements of the Building Act 2004: i) % Building consent applications processed within 20 working days; ii) % Council inspectors with required training certification	92% 100%	100% 100%
Carry out inspections of building projects at strategic times to ensure the project is being constructed in accordance with the approved plans	% Inspections carried out within one working day of requested inspection date	100%	100%

What assets are used?

Building Control assets consist of the trained personnel required to undertake this activity.

Key Projects for 2010/11

Digitising Plans

Building Control records are paper-based. To reduce the risk of losing these records due to fire hazard, a digital records project is currently being implemented. This will also enhance service levels by improving the efficiency of the activity.

Current and future demands on inspectors recording information can be reduced by the introduction of digital recording devices. Digital storage of existing building consent files will be implemented from 2010/11.

Potential Legislation Impacts

There may be legislative changes in this area if the Government proceeds with not requiring building permits for some work and allowing some qualified builders to self-certificate. This could reduce income and affect workloads in the department.

REGULATORY SERVICES

Building Control

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
874,847	Building control operating costs	765,607	793,475	27,868
	Operating Income			
790,883	Consent fees & charges	612,600	763,400	(150,800)
	Appropriations			
-	Tsf to reserves - various contributions	-	-	-
-	Tsf from reserves - project funding	-	-	-
\$83,964	Rates Requirement	\$153,007	\$30,075	(122,932)

Environmental Health, Liquor Licensing and General Inspection

What do we do?

Council staff and contractors carry out environmental health, liquor licensing and general inspection functions which include: monitoring and inspecting food premises, monitoring water quality, dealing with noise complaints, receiving and processing liquor licences and enforcing by-laws and regulatory requirements.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/09	Performance Targets 2010/11
Deliver inspection, monitoring and enforcement services to ensure Council meets its legal obligations under relevant acts, standards and by-laws	Proportion of registered premises that are inspected at least once annually and followed up with further visits for enforcement if necessary.	100%	100%
	Proportion of licences or consents issued within statutory or policy deadlines	100% 188 health licences & 111 trade waste consents issued	100%
	Proportion of special licences processed within 10 working days of completion by external agencies.	96% 91 / 95 special licences	100%
	Proportion of noise complaints responded to within one hour	89.6% 787 / 878 complaints	90%
	Proportion of other 'general' complaints responded to within two working days of notification; or one hour if urgent	100%	100%
Promote public awareness of individual's rights and responsibilities relating to relevant Acts, standards and by-laws	Proportion of known swimming pools inspected for compliance and/or drained if non-complying	100%	100%
	Compliance with NZ Drinking Water Standards 2005 for monitoring community water supplies	100% compliant	100% compliant
	Compliance with consent conditions for monitoring of resource consents	100% compliant	100% compliant
Promote public awareness of individual's rights and responsibilities relating to relevant Acts, standards and by-laws	Number of public education programmes undertaken annually	2 brochures produced + school visit	2+ initiatives per year

What assets are used?

Environmental health, liquor licensing and general inspection activity assets consist of the trained personnel required to undertake this activity.

Key Issues and Projects for 2010/11

Potential Legislation Impacts

Potential changes to legislation relating to sale of liquor and a total review of Food Safety legislation may impact on the resources and work of this department.

REGULATORY SERVICES

Environmental Health & Licensing

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
651,703	Environmental health & licensing costs	672,229	656,065	(16,164)
	Operating Income			
89,717	License fees & charges	82,600	86,600	(4,000)
321,554	Internal recoveries	317,550	310,450	7,100
411,271		400,150	397,050	3,100
	Appropriations			
-	Tsf from reserves - project funding	-	-	-
\$240,432	Rates Requirement	\$272,079	\$259,015	(13,064)

By Law Control / General Inspection

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
338,080	General inspection costs (incl pool vehicles)	304,655	318,860	14,205
	Operating Income			
7,169	Miscellaneous recoveries	5,920	6,920	(1,000)
256,928	Internal recoveries	232,000	248,000	(16,000)
264,097		237,920	254,920	(17,000)
	Appropriations			
-	Tsf from reserves - project funding	-	-	-
\$73,983	Rates Requirement (operational)	\$66,735	\$63,940	(2,795)

Animal Control

What do we do?

Council staff and contractors undertake animal dog control functions, which include responding to complaints about animals, impounding and releasing animals, finding homes for unclaimed animals, managing dog registrations, educating dog owners and the general public about dog and animal control.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide an efficient and effective animal control service	Customer satisfaction with animal control services	75% Peer Ave: 73%	Maintain satisfaction
	Proportion of urgent complaints responded to within one hour (dog attacking people or animals)	100%	100%
	Proportion of non-urgent complaints responded to within 24 hours of notification (barking dogs or wandering animals)	100%	100%
	Compliance with Dog Control Act for managing & processing impounded animals	100% compliant	100% compliant
Promote responsible dog ownership and safe behaviour around dogs	Proportion of known dogs that are registered	97.1% 5,737 known dogs	97%
	Undertake public education, school and community visits to promote safe behaviour around dogs and/or responsible dog ownership	8 school visits	6+ visits

What assets are used?

Animal control assets consist of the trained personnel required to undertake this activity and the pound site and buildings in Ngaumutawa Road.

Key Projects for 2010/11

There are no major projects planned for 2010/11.

REGULATORY SERVICES

Animal Control

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
325,612	Dog control & pound costs	333,854	312,900	(20,954)
	Operating Income			
314,541	Dog registration fees & fines	318,850	303,750	15,100
	Appropriations			
-	Tsf from reserves - project funding	(5,000)	-	5,000
\$11,071	Rates Requirement	\$10,004	\$9,150	(854)

Rural Fire Control

What do we do?

The Wairarapa Rural Fire Authority, council staff and contractors carry out the Council's rural fire protection.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Maintain a sufficient state of readiness and public awareness of rural fire threats to respond in the event of a fire occurring	Proportion of rural fire notifications responded to within 15 minutes	100%	100%
	Frequency of vehicle and equipment checks between use to ensure response readiness when needed	2 weekly	2 weekly
Issue fire permits during the restricted season-	Proportion of priority fire permits processed within three days	100%	100%
Contribute to the Wairarapa Rural Fire District Fire Plan and audit process	Annual review of Masterton District resource and equipment schedules completed & revisions reported in time for the annual fire plan review	N/A Not a measure in 2007/08	Due August 2010

What assets are used?

Rural Fire Control assets consist of trained personnel and volunteers required to undertake this activity, and five fire engines.

Key Issues and Projects for 2010/11

The funding of rural fire has changed with forest owners no longer contributing directly to Wairarapa Rural Fire Authority but it is expected that councils will level a new targeted rate on forest owners.

Masterton contributes 40.8% of rural fire costs in the Wairarapa which is some \$75,000 extra to the current rates collected from rural properties.

The Rural Fire Authority has been empowered by legislation to determine the income it requires to maintain a state of readiness to respond.

REGULATORY SERVICES

Rural Fire Control

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
143,696	Rural fire costs	106,346	151,740	45,394
58,016	Wairarapa Rural Fire Authority (MDC share)	66,000	56,000	(10,000)
201,712		172,346	207,740	35,394
	Operating Income			
17,612	Miscellaneous recoveries		17,000	(17,000)
\$184,100	Rates Requirement	\$172,346	\$190,740	18,394

Civil Defence Emergency Management

What do we do?

The Council has an Emergency Management section, to prepare for, and coordinate, the local community's response to Civil Defence emergency management events.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Ensure the public is aware of natural and technological threats and is ready to respond in the event of a Civil Defence emergency occurring	The Public is ready to respond to a Civil Defence emergency: i) Public awareness programme is carried out annually ii) Community reports being prepared for an emergency (survey) with water, food, household plan and equipment available	Achieved Water 79% Food supplies 60% Household plan 30% Equipment 60%	One per year Water 79% Food supplies 60% Household plan 40% Equipment 60%
Establish and maintain liaison, links and develop standard emergency operating procedures with local emergency services, other agencies, volunteers and the community.	An effective Civil Defence Emergency Management System is in place: i) Emergency Operations Centre exercise is carried out; ii) Peer review on any Civil Defence emergency events and/or an annual exercise	No exercise undertaken N/A – no exercise and no events	Minimum of one per year Operation rated effective
Provide local response and recovery capability including Emergency Operations Centre facilities, trained personnel and community facilities			
Participate in Wellington Region Civil Defence Emergency Management Group work programme and activities	Complete Wellington Region Civil Defence Emergency Management Group work programme identified for Masterton	Submitted October 2007	Annual programme completed

What assets are used?

Emergency Management assets consist of the trained personnel and volunteers required to undertake this activity and the Emergency Management Office located at the Municipal building in Chapel Street.

Key Issues and Projects for 2010/11

There are no major projects in 2010/11

REGULATORY SERVICES

Emergency Management

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
154,834	Emergency management costs	151,085	148,951	(2,134)
	Operating Income			
-	Government subsidy & recoveries	-	5,000	(5,000)
	Appropriations			
5,000	Tsf to reserves - self insurance	5,000	5,000	-
	Tsf from reserves - project funding	-	-	-
\$159,834	Rates Requirement	\$156,085	\$148,951	(7,134)

GOVERNANCE AND CORPORATE SERVICES

Governance and Corporate Services

Governance and Corporate Services

What do we do?

Governance and Corporate services together perform the duties of Local Government under the Local Government Act 2002. They maintain the democratic process of Local Government and deliver a range of public services.

Performance Measures

Level of Service	Performance Measures	Baseline 2007/08	Performance Targets 2010/11
Provide strategic direction and policies for the Council's activities and functions reflecting the diverse views and aspirations of the community	Timely completion of Long Term Plan and Annual plans	Adopted 25 June 2008	Adopted by 30 June 2011
Take a sustainable development approach, taking into account the likely impact of any decision on the economic, social and cultural wellbeing of people and communities; the need to maintain and enhance the quality of the environment; and the reasonably foreseeable needs of future generations	New or revised policies and projects consulted on in accordance with the Policy on Significance	N/A – new measure	100%
	New or revised policies incorporate concepts of sustainable development as outlined in Council's Sustainable Development decision-making guidelines	N/A – new measure	100%
Maintain the democratic process of Local Government in an open, transparent, and democratically accountable manner	The public is informed about council decisions and performance: i) Satisfaction with consultation on Council decisions ii) Agendas are available to the public for all Council meetings two working days in advance iii) A summary of the Draft Long Term Plan and the Annual Report is circulated iv) Council newsletters are distributed v) Report on annual activities adopted by the Council	45% Agendas available prior to and at meetings Distributed to all households and ratepayers Three issues distributed + Annual Plan edition Adopted 31 October 2007	Maintain satisfaction 100% compliance Distributed to all households and ratepayers Four issues annually By 31 October
Provide opportunities for Maori to contribute to decision-making processes	i) Maori Liaison Task Group meets regularly	6 meetings held	At least four times annually
	ii) Report on implementation of the Memorandum of Partnership with Rangitāne o Wairarapa	N/A – new measure	Annual report on implementation
	iii) Report on Memorandum of Partnership with Ngati Kahungunu	N/A – new measure	Memorandum of Partnership progressed
Collaborate and co-operate with other local authorities and bodies to promote or achieve priorities and desired outcomes and make efficient use of resources	Report on impact of collaborative activities with other local authorities	Reported in September 2007	Annually

What assets are used?

The Municipal Building, including mayoral offices, meeting rooms and the council chamber. Document management systems and office equipment support this activity.

Key Issues for 2010/11

Increased co-operation with other councils

The Council will continue to monitor trends and explore regional responses to issues with neighbouring councils and other agencies. The community would be consulted as part of any decision making.

Document Management System

The Public Records Act has imposed a higher standard for storage of documents. Electronic storage is seen as the most cost-effective as well as being efficient for storage and recovery of documents. A new document management system will be installed in 2010.

Governance

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$		\$	\$	\$
	Operating Costs			
321,657	Mayor & councillors remuneration	300,400	310,480	10,080
116,032	Reporting & consultation	99,000	92,000	(7,000)
15,540	Election costs (provision)	50,000	15,000	(35,000)
367,196	Operating expenses	381,966	367,576	(14,390)
820,425		831,366	785,056	(46,310)
	Operating Income			
321,765	Internal allocation of governance costs (per Funding Policy 40% internal)	320,000	307,893	12,107
321,765		320,000	307,893	12,107
	Appropriations			
-	Transfers from reserves (for election costs)	(30,000)	-	30,000
\$498,660	Rates Requirement	\$481,366	\$477,163	(4,203)

INTERNAL FUNCTIONS

Roading Advisory Services

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
365,665	Professional staff & operating costs	413,057	354,200	(58,857)
8,600	Depreciation	7,600	8,600	1,000
374,265		420,657	362,800	(57,857)
	Operating Income			
233,100	Prof. services - subsidised roading	215,000	225,000	(10,000)
154,855	Prof. services - non-subsidised roading	161,000	152,300	8,700
22,792	Prof. services - other Council activities	81,500	22,000	59,500
518	External income	500	500	-
411,265		458,000	399,800	58,200
	Appropriations			
5,000	Transfer to reserves	5,000	5,000	-
(\$32,000)	Rates Requirement	(\$32,343)	(\$32,000)	343

INTERNAL FUNCTIONS

Asset & Project Management

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
476,840	Professional staff & operating costs	508,476	461,816	(46,660)
	Operating Income			
476,840	Internal charges	508,476	461,816	46,660
	External recoveries	-	-	-
	Appropriations			
-	Transfer to reserves	-	-	-
	Rates Requirement	-	-	-

INTERNAL FUNCTIONS

Corporate Services

LTCCP Yr 2	Cost of Service Statement	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
\$	Operating Costs	\$	\$	\$
1,278,218	Management & administration	1,306,550	1,292,800	(13,750)
1,091,115	Financial management	1,068,850	1,083,200	14,350
424,244	Information systems	362,800	341,500	(21,300)
2,793,577		2,738,200	2,717,500	(20,700)
	Operating Income			
174,023	Miscellaneous income & recoveries	154,750	168,150	(13,400)
544,099	Interest income (external)	695,000	692,500	2,500
351,523	Interest income (on internal loans)	365,000	400,000	(35,000)
2,368,793	Support services allocated internally	2,363,450	2,326,850	36,600
3,438,438		3,578,200	3,587,500	(9,300)
	Appropriations			
-	Transfer (from) reserves	-	-	-
-	Transfers to reserves	-	-	-
644,861	Transfer to reserves - interest	840,000	870,000	30,000
-	Rates Requirement	-	-	-

INTERNAL FUNCTIONS

LTCCP Yr 2	Capital Expenditure Summary	Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance
	Roading Advisory Services			
-	Vehicle	-	-	-
	Corporate Services			
82,880	Computer system upgrades	82,000	80,000	(2,000)
-	Aerial photos renewal	-	65,000	65,000
-	Phone system upgrade	-	-	-
-	Records management system	80,000	85,000	5,000
\$82,880		\$162,000	\$230,000	68,000
	Capital Funding			
(\$82,880)	Transfer from reserves	(\$162,000)	(\$230,000)	73,000

FORECAST FINANCIAL STATEMENTS

FORECAST STATEMENT OF FINANCIAL POSITION					\$ 000's
2009 Actual	as at 30 June	Projected 2010	Annual Plan 2011	LTCCP Yr2 2011	Variance
	Public Equity				
421,701	Ratepayers' Equity	424,243	429,876	425,392	(4,484)
15,629	Special Funds & Reserves	14,219	12,450	11,198	(1,252)
161,779	Asset Revaluation Reserves	161,759	191,202	185,286	(5,916)
599,109	Total Public Equity	600,221	633,528	621,876	(11,652)
	Non-Current Liabilities				
98	Employee benefits	110	125	134	9
313	Provisions & other liabilities	260	385	236	(149)
527	Derivative financial instruments	400	300	0	(300)
14,496	Financial liabilities	17,011	40,885	36,390	(4,495)
15,434	Total Non-current Liabilities	17,781	41,695	36,760	(4,935)
	Current Liabilities				
4,295	Trade & other payables	4,201	4,906	3,899	(1,007)
566	Employee benefits	580	600	742	142
77	Provisions (current)	90	100	33	(67)
556	Financial liabilities (current portion)	870	2,114	974	(1,140)
5,494	Total Current Liabilities	5,741	7,720	5,648	(2,072)
\$620,037	Total Liabilities & Equity	\$623,743	\$682,943	\$664,284	(\$18,659)
	Current Assets				
4,268	Cash & cash equivalents	1,850	1,997	10	(1,987)
1,025	Other financial assets	3,617	1,850	1,860	10
2,090	Trade and other receivables	2,010	3,032	3,797	765
174	Other current assets	180	185	159	(26)
7,557	Total Current Assets	7,657	7,064	5,826	(1,238)
	Non-Current Assets				
85,611	Property, Plant & Equipment	85,751	88,280	72,292	(15,988)
512,917	Infrastructural assets	517,864	575,242	573,176	(2,066)
4,727	Intangible assets	5,057	4,857	4,631	(226)
381	Forestry assets	405	550	390	(160)
1,695	Investment property	1,600	1,950	1,988	38
67	Derivative financial instruments	100	100	0	(100)
7,082	Financial assets	5,309	4,900	5,981	1,081
612,480	Total Non-Current Assets	616,086	675,879	658,458	(17,421)
\$620,037	Total Assets	\$623,743	\$682,943	\$664,284	(\$18,659)

FORECAST STATEMENT OF COMPREHENSIVE INCOME				
LTCCP Yr 2 2010/11		Annual Plan 2010/11	Prior Yr Plan 2009/10	Variance from Prior Yr
\$		\$	\$	\$
	Revenue			
20,212,910	Rates revenue	19,851,385	18,217,722	1,633,663
550,727	Finance income	695,000	712,500	(17,500)
6,734,000	Riversdale sewerage capital rates & subsidy	4,201,520	425,000	3,776,520
10,698,816	All Other income	10,979,055	10,718,620	260,435
38,196,453	Total Operating Income	35,726,960	30,073,842	5,653,118
	Expenditure			
(20,903,603)	Operating expenditure	(21,529,852)	(20,209,290)	(1,320,562)
(1,868,002)	Finance costs	(1,817,232)	(1,109,617)	(707,615)
(8,857,356)	Depreciation & amortisation	(8,516,050)	(8,750,000)	233,950
(31,628,961)	Total Operating Expenditure	(31,863,134)	(30,068,907)	(1,794,227)
\$6,567,492	Operating Surplus/(Deficit)	\$3,863,826	\$4,935	\$3,858,891
	Other Comprehensive Income			
39,344,000	Gain on Infrastructural Asset revaluations	29,443,000	-	29,443,000
-	Financial assets at fair value through equity	-	-	-
-	Gain on land and building revaluations	-	-	-
39,344,000	Total Net Other Comprehensive Income	29,443,000	-	29,443,000
\$45,911,492	Total Comprehensive Income for the year	\$33,306,826	\$4,935	\$33,301,891

FORECAST STATEMENT OF CHANGES IN EQUITY				\$ 000's	
2009 Actual		Projected 2009/10	Annual Plan 2010/11	LTCCP 2010/11	Variance
569,672	Equity at beginning of the Year	599,109	600,221	575,965	(24,256)
29,437	Total Comprehensive Income	1,112	33,307	45,911	12,605
29,437	Total recognised revenues and expenses for the year	1,112	33,307	45,911	12,605
\$599,109	Equity at end of the Year	\$600,221	\$633,528	\$621,876	(\$11,651)

FORECAST STATEMENT OF CASH FLOWS					\$ 000's
Actual 2008/09		Forecast 2009/10	Annual Plan 2010/11	LTCCP Yr 2 2010/11	Variance
CASHFLOWS FROM OPERATING ACTIVITIES					
Cash Provided from:					
17,152	Rates	18,218	19,946	20,213	267
0	Riversdale sewerage rates & subsidy	495	4,202	6,734	2,532
4,412	Subsidies & Grants	5,065	4,684	4,529	(155)
6,658	Other Revenue	5,584	6,295	4,725	(1,570)
747	Interest & Dividends	712	695	550	(145)
<u>28,969</u>		<u>30,074</u>	<u>35,822</u>	<u>36,751</u>	<u>929</u>
Cash Applied to:					
(19,626)	Payments to Suppliers & Employees	(20,437)	(21,247)	(20,667)	580
(1,001)	Interest paid on Term Debt	(1,110)	(1,817)	(1,868)	(51)
39	GST paid (net)	0	0	0	0
<u>(20,588)</u>		<u>(21,547)</u>	<u>(23,064)</u>	<u>(22,535)</u>	<u>529</u>
8,381	Net Cash From Operating Activities	8,527	12,758	14,216	1,458
CASHFLOWS FROM INVESTING ACTIVITIES					
Cash Provided from:					
609	Sales of Investments	929	1,210	1,966	756
0	Sales of Fixed Assets	16	65	0	(65)
<u>609</u>		<u>945</u>	<u>1,275</u>	<u>1,966</u>	<u>691</u>
Cash Applied to:					
0	Purchase of Investments	0	0	(7)	(7)
(8,379)	Purchase of property, plant & equipment	(14,565)	(38,942)	(34,305)	4,637
<u>(8,379)</u>		<u>(14,565)</u>	<u>(38,942)</u>	<u>(34,312)</u>	<u>4,630</u>
<u>(7,770)</u>	Net Cash From Investing Activities	(13,620)	(37,667)	(32,346)	5,321
CASHFLOWS FROM FINANCING ACTIVITIES					
Cash Provided from:					
2,200	Loans Raised (external)	3,316	25,854	19,232	6,622
Cash Applied to:					
(363)	Repayment of Term Debt	(641)	(798)	(757)	(41)
<u>1,837</u>	Net Cash From Financing Activities	2,675	25,056	18,475	6,581
1,820	Opening Balance of Cash on Hand	4,268	1,850	1,525	325
2,448	Net Increase/Decrease in cash held	(2,418)	147	345	(198)
\$4,268	Closing Balance of Cash on Hand	\$1,850	\$1,997	\$1,870	127

RATES REQUIREMENT STATEMENT				
LTCCP Yr 2 2010/11		Annual Plan 2010/11	Prior Year 2009/10	Variance from Prior Yr
\$		\$	\$	\$
	Transport			
5,214,972	Roading	5,042,688	4,991,993	(50,695)
(53,065)	Parking	(38,741)	(42,216)	(3,475)
100,445	Airport	104,331	76,405	(27,926)
	Water Services			
2,300,725	Urban Water supply	2,271,307	2,110,444	(160,863)
57,572	Rural Water supplies & races	73,900	57,370	(16,530)
	Waste Services			
3,222,741	Urban Sewerage system	3,128,733	2,343,265	(785,468)
5,352,788	Rural Sewerage systems	2,810,400	99,801	(2,710,599)
315,640	Stormwater	323,029	309,518	(13,511)
1,331,898	Solid Waste Management	1,275,246	1,079,371	(195,875)
	Community Facilities			
1,673,273	Parks, Reserves & Sportsfields	1,568,468	1,562,757	(5,711)
1,045,077	Genesis Energy Recreation Centre	990,941	997,994	7,053
64,965	Cemeteries	59,456	64,206	4,750
268,931	District Building	277,855	248,985	(28,870)
162	Housing for Elderly	174	139	(35)
527,351	Other Property	540,746	471,182	(69,564)
	Community Services			
1,334,672	Library & Archive	1,329,131	1,308,837	(20,294)
419,681	Community Development	350,224	372,815	22,591
320,689	Arts & Culture	326,569	326,623	54
522,394	Economic Development & Promotion	556,661	530,273	(26,388)
	Planning & Regulatory Services			
529,827	Resource Management & Planning	557,508	520,121	(37,387)
240,432	Environmental Health	272,079	259,015	(13,064)
83,964	Building Control	153,007	30,075	(122,932)
73,983	By Law Control/General Inspection	66,735	63,940	(2,795)
184,100	Rural Fire	172,346	190,740	18,394
11,071	Dog Control	10,004	9,150	(854)
159,834	Emergency Management	156,085	148,951	(7,134)
	Governance			
498,660	Representation	481,366	477,163	(4,203)
(32,000)	Internal Functions (net)	(32,343)	(32,000)	343
\$ 25,770,782	Total Rates Requirement	\$ 22,827,905	\$ 18,576,917	(\$4,250,988)
(5,239,000)	less rural sewerage capital contributions	(2,706,520)	-	2,706,520
20,531,781		20,146,385	18,576,917	6,982,508
10.8%	<i>% Change (pre growth, from prior year)</i>	8.4%		
9.8%	<i>% Change (after growth, from prior year)</i>	7.7%		
150,000	Penalty Income	150,000	150,000	-
(130,000)	Rates Remissions	(120,000)	(130,000)	10,000
(20,000)	Discounts Given	(55,000)	(20,000)	(35,000)
\$ 20,531,781	Net Rates Income	\$ 20,121,385	\$ 18,576,917	\$6,957,508

FORECAST COST OF SERVICES SUMMARY				
	Operating Revenue	Operating Expenditure	Net Operating Cost	Capital Expenditure
Significant Activities (by Output Area)	\$	\$	\$	\$
Transport				
Roading	4,906,500	9,514,538	4,608,038	4,818,200
Parking	203,000	164,099	(38,901)	300,000
Airport	225,000	284,331	59,331	390,000
Water Services				
Urban Water supply	90,000	2,557,607	2,467,607	2,119,000
Rural Water supplies & races	138,800	215,450	76,650	
Waste Services				
Urban Sewerage system	251,000	3,788,483	3,537,483	21,685,000
Rural Sewerage systems	150	302,030	301,880	5,020,000
Stormwater		501,449	501,449	330,000
Solid Waste Management	2,282,000	3,584,329	1,302,329	1,080,000
Community Facilities				
Parks, Reserves & Sportsfields	60,150	1,863,418	1,803,268	742,000
Genesis Energy Recreation Centre	79,000	1,233,516	1,154,516	26,000
Cemeteries	78,760	148,216	69,456	
District Building	220,200	498,055	277,855	383,100
Housing for Elderly	360,950	513,200	152,250	97,000
Other Property	193,445	830,941	637,496	1,497,300
Community Services				
Library & Archive	205,100	1,534,231	1,329,131	187,700
Community Development	60,580	571,804	511,224	
Arts & Culture	33,500	360,069	326,569	
Economic Development & Promotion	15,000	831,661	816,661	
Planning & Regulatory Services				
Resource Management & Planning	455,500	656,008	200,508	
Environmental Health	400,150	672,229	272,079	7,250
Building Control	612,600	765,607	153,007	
By Law Control/General Inspection	237,920	304,655	66,735	88,000
Rural Fire		172,346	172,346	6,200
Dog Control	318,850	333,854	15,004	
Emergency Management		151,085	151,085	3,100
Governance				
Representation	320,000	831,366	511,366	
Internal Functions	4,544,676	3,667,333	(877,343)	162,000
External funding of capital items	1,595,000		(1,595,000)	
Eliminate internal recoveries	(4,718,776)	(4,988,776)		
	13,169,055	31,863,134	18,964,079	38,941,850
(Note: rates expense on Council properties included above, assumed at \$270,000)				
			+ Add capital expenditure	38,941,850
			+ Add loan principal repayments	1,115,452
			- Less loan funds applied	(25,853,600)
			+ Transfers to reserve funds	1,399,000
			- Transfers from reserve funds	(6,177,400)
				28,389,381
			- Reverse depreciation funded via capital programme	(5,561,476)
			Rates Requirement	\$ 22,827,905

CAPITAL EXPENDITURE SUMMARY						
Annual Plan 2010/11	\$	per LTCCP	Source of Funding 2010/11			
Department / Project	2010/11	Year 2	Rates	Reserves	Other	
Transport						
Subsidised roading renewals - rural	2,682,000	3,410,512	1,206,900		1,475,100	*2
Subsidised roading renewals - urban	962,100	1,205,904	432,945		529,155	*2
Subsidised bridge renewals	600,000	0		210,000	390,000	*2
Urban footpath renewals	225,000	233,100	125,000	100,000		
CBD footpath resurfacing project (stage 1)	331,000			71,000	260,000	*1
Car park seal renewals	18,100	18,130		18,100		
Airport runway reseal	390,000	393,680		190,000	200,000	*1
Parking meter replacements (c/fwd)	300,000	51,800		300,000		
Water Services						
Water treatment plant equipment renewal	75,000	10,360		75,000		
Water treatment buildings & grounds	10,000	67,340		10,000		
Water tmt filter refurbishment (1/2 c/fwd)	985,000	984,200			985,000	*1
Water reticulation - mains & reservoir renewals	425,000	424,760		425,000		
Water reticulation renewals	207,000	207,200		207,000		
Water supply - trunk line renewals	360,000	362,600		360,000		
Rural water supplies - Wainuioru	57,000	56,980		57,000		
Rural water supplies - Tinui	0	41,440				
Waste Services						
Homebush sewerage plant upgrade	19,820,000	15,540,000			19,820,000	*1
Riversdale sewerage scheme	5,020,000	6,734,000	2,520,000		1,495,000	*3
Riversdale sewerage scheme - loan funding					1,005,000	*1
Sewerage reticulation renewals	1,865,000	1,864,800		700,000	1,165,000	*1
Stormwater - renewals	300,000	207,200		200,000	100,000	*1
Stormwater - catchment project	30,000	518,000			30,000	*1
Castlepoint sewerage	0	82,880				
Urban transfer station upgrades	430,000	0			430,000	*1
Landfill closure costs	0	207,200				
Tinui transfer station	0	0				
Recycling facilities	650,000	0			650,000	*1
Community Facilities						
Q. E. Park renewal programme	185,000	269,360		185,000		
Public toilets (24 hour) - replacement	157,000			157,000		
Henley Lake upgrade projects	50,000	46,620		50,000		
Sportsfields - buildings upgrades	20,000			20,000		
Recreation trail project	40,000	41,440		40,000		
Urban & rural reserves upgrades	15,000	30,044		15,000		
Street tree strategy	15,000	15,540		15,000		
Castlepoint - seawall stage II landscaping	260,000	51,800			160,000	*1
					100,000	*3
Genesis Energy Recreation Centre - misc items	26,000	16,317		26,000		
Public conveniences - Riversdale sewer	63,600	64,232		0	63,600	*1
Public conveniences - Riversdale domain	150,000	207,200		150,000		
Public conveniences - other	15,500	15,540		15,500		
Pensioner housing upgrades	97,000	96,866		82,000	15,000	*1
Rental & other property upgrades	68,200	68,376		68,200		
District building upgrades & equipment	77,700	77,700		77,700		
District building - office alterations	180,400	10,360		10,400	170,000	*1
District building - Town Hall stage equip c/fwd	125,000	0		125,000		
Mawley Park facility upgrades	1,200,000	279,720		400,000	800,000	*1

continued on the following page

CAPITAL EXPENDITURE SUMMARY (continued)					
Annual Plan 2010/11 Department / Project	\$ 2010/11	per LTCCP Year 2	Source of Funding 2010/11		
			Rates	Reserves	Other
<i>continued from previous page</i>					
Community Services					
Library book purchases	135,700	135,716		135,700	
Computer & equipment upgrades	32,000	71,484		32,000	
Library building & furniture upgrades	20,000	2,072		20,000	
Planning & Regulatory Services					
Council vehicle fleet replacements	88,000	88,060		88,000	
Rural fire capital upgrades	6,200	6,216		6,200	
Environmental Health testing equipment	7,250	7,252		7,250	
Emergency management equip. & software	3,100	3,108		3,100	
Corporate Services					
Computer and office equipment upgrades	82,000	82,880		82,000	
Records management system	80,000	0		80,000	
Total 2010/11	\$38,941,850	\$34,309,989	\$4,284,845	\$4,814,150	\$29,842,855
Analysis of other funding items: *1 - New loan funded items total \$25,853,600					
*2 - Land Transport NZ roading subsidies (on capital work) \$2,394,255					
*3 - Other external funding					

SPECIAL FUNDS & RESERVES				
Annual Plan 2010/11	Opening Balance	Transfers Out	Transfers In	Closing Balance
Plant & Equipment Reserves	1,476,619	(585,350)	337,288	1,228,557
General Capital Reserves	4,265,285	(367,900)	245,332	4,142,716
Investment Interest Reserve	18,750	(632,750)	618,962	4,962
Reserves & Development Contributions Funds	913,105	(625,000)	190,359	478,464
Property Reserves	2,948,470	(1,200,800)	972,684	2,720,354
Roading & Infrastructure Reserves	4,370,948	(2,496,100)	1,953,791	3,828,639
Miscellaneous Reserves	225,585	(269,500)	90,438	46,522
Total	14,218,761	(6,177,400)	4,408,854	12,450,215
Analysis of Transfers 'OUT' of Funds & Reserves				
For detail of the specific projects which are to be funded from reserves please refer to both the Capital Expenditure Summary and the Cost of Service Statements for each activity.				
Analysis of Transfers 'IN' to Funds & Reserves				
Asset related reserves	Depreciation funded into asset replacement reserve funds			2,944,854
Plant & Gen Capital reserves	Proceeds from sale of assets			65,000
Development funds	Financial contributions received from developers			502,000
Miscellaneous Funds	Provision to replace/build miscellaneous funds			57,000
All funds	Interest allocation to special fund balances (increase by inflation of 1.5%)			221,038
Investment Interest Reserve	Interest earned on special fund investments (after provision for inflation)			618,962
Total Transfers to Special Funds & Reserves				\$ 4,408,854

TERM LIABILITIES		\$ 000's		
Annual Plan 2010/11	Forecast to 30 June 2010	Annual Plan 30 June 2011	LTCCP Yr2 30 June 2011	
Bank loans	9,480	8,860	8,714	
Local Government stock	5,000	4,815	4,771	
Finance leases	85	35	35	
New borrowing forecast 2009/10	3,500	3,435	4,612	
New borrowing per Annual Plan 2010/11		25,854	19,232	
	18,065	42,999	37,364	
Internal Capital Projects loans (1998-2009)	6,345	5,879	5,582	
Total All Loans	24,410	48,877	42,946	
Internal Loans (eliminated against investments)	(6,345)	(5,879)	(5,582)	
Less current portion of external liabilities	(798)	(2,114)	(974)	
Net External Term Liabilities	\$17,267	\$40,885	\$36,390	
	Draft Annual Plan 2010/11	2011/12 Updated Forecast	2012/13 Updated Forecast	
New Borrowing Proposed				
New capital projects loans - see capital expenditure table	\$ 25,854	\$ 5,527	\$ 2,103	
Projected balance (including internal)	\$ 48,877	\$ 51,896	\$ 52,086	
<i>Note 1 : the current portion of term loans shown above takes into account principal repayments as scheduled in loan repayment tables. Those loans and LG stock which mature during the year, but have remaining sanctioned terms, will be refinanced.</i>				
<i>Note 2 : the borrowing proposed in this plan will be undertaken in accordance with the Local Government Act 2002 and the Council's Liability Management Policy, a summary of which is included in the LTCCP.</i>				
<i>Note 3 : as per the Council's Treasury Management Policy, a number of projects have been funded by way of internal loans. These internal loans are shown as part of the Council's total borrowing and cost of debt servicing, but are offset against the internal investments for the purposes of external reporting.</i>				
Treasury Policy Limits & Cost Of Debt Servicing		Plan 2010/11	LTCCP Yr2	
	Loan repayments	1,164	1,118	
	Interest expense (on external debt)	1,847	1,875	
	Interest expense (on internal loans)	367	351	
	Total Cost of Debt Servicing	\$3,378	\$3,344	
Policy Max.	External Debt as % of Total Operating Income	120%	98%	
135%	Interest (on external) as % of Total Operating Income	5.2%	4.9%	
10%	Interest (on external) as % of Rates Income	9.3%	7.3%	
15%	Interest (internal & external) as % of Rates Income	11.2%	8.9%	
20%				

Statement of Accounting Policies

Reporting Entity

Masterton District Council (MDC) is a Territorial Authority within the definition of the Local Government Act 2002.

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Reliance is placed on the fact that Council is a 'going concern' and that sufficient funds are available, or will be received, to allow the Council to operate at the levels of activity estimated.

Accrual accounting is used to recognise and match costs with revenues in the period.

The financial statements contained within this community plan follow the appropriate legislative requirements of the Local Government Act 2002, and generally accepted accounting practices recognised as appropriate and relevant for the reporting of financial information in the public sector.

The Masterton District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The Annual Plan is in full compliance with Financial Reporting Standard 42 (FRS 42) 'Prospective Financial Statements'.

The Annual Plan was adopted by the Council and issued for consultation on 14th April 2010.

The Annual Plan was adopted by the Council on 30th June 2010.

Accounting Policies

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be measured. Revenue is recognised at fair value. The following specific criteria must also be met before revenue is recognised.

Subsidy revenue – is recognised in the period when expenditure to which the subsidy relates has been incurred.

Rates – are recognised on the due date for each instalment.

Fees and charges – are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Expenditure is recognised when the service has been provided or the goods received.

Other revenues – are recognised when the service is provided. Other grants, bequests and assets vested in the Council are recognised as revenue when control over the asset is obtained.

Interest – revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the life of the financial instrument) to the net carrying amount of the financial asset.

Government grants – are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Financial contributions – are recognised when received. Any difference in timing between receipt of the contribution and the completion of the assets they relate to is not considered material.

Expenditure

Expenditure is recognised when Council is deemed to have been supplied with the service or has control of the goods supplied

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful debts and un-collectable debts. Rates and water rates are invoiced quarterly with payment due within 20 days.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Inventories

Inventories are valued at the lower of cost (determined on a weighted average basis) and fair value after making adequate provision for obsolescence.

Investments

Share investments are valued at market value at 30 June 2008 for the purposes of the forecast balance sheets. Other investments are also stated at market value (as per NZ IFRS). None of the Council's property assets are regarded as investment properties (under NZ IFRS).

Properties held for sale

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

Property Plant and Equipment**Operational Assets**

Motor vehicles, plant, computer equipment and software, furniture and fittings are valued at cost less accumulated depreciation.

Land, buildings and improvements are stated at market valuation dated 30 June 2009. Fair value for buildings and improvements has been determined to be the depreciated replacement cost. Council's policy is to revalue every three years. Additions to assets between valuations are recorded at cost.

The library collection is valued using the depreciated replacement method.

Forestry assets will be valued annually (as biological assets under NZ IFRS) using the discounted net present value method.

Infrastructural Assets

These are the utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include roads, bridges, water and wastewater services and stormwater systems. Each asset type includes all items that are required for the network to function. The infrastructural assets were revalued using the Depreciated Replacement Value method, as at 30 June 2008.

Renewals and extensions of service capacity between valuations are capitalised. For roading assets, this renewals expenditure includes the rehabilitation and resealing programme. Landfills do not have a specific asset value, other than within the land and buildings category, but a provision is recognised to reflect the future costs of closure and aftercare.

Land under the roading network was valued at 30 June 2000 and this valuation is considered deemed cost. The land under roads was valued by determining the average value of the land adjoining the roading network using a series of localities within the District.

Additions to assets between valuations are recorded at cost.

Impairment

For those network assets where there is no intention that there be an end to their useful life, the provision of depreciation on a straight line basis over the remaining life of the asset is regarded as appropriate. The Council's asset management plans (AMP) contain detailed component listings to which National Asset Management Manual (NAMs) asset life and condition factors are applied and replacement years derived. The depreciation is derived from the depreciated replacement value spread over the remaining economic life of each component.

Council's engineers design the roading programme of general maintenance, reseals and rehabilitation in order to maintain the roading network in a constant condition. The physical condition is regularly audited by Land Transport NZ and the roading AMP provides sufficient detailed information on the network to enable ongoing programme design. The decline in service potential of the roading network, although assumed to be rectified by the annual roading programme, has been calculated on a straight line depreciation basis on the estimated lives of the depreciable components of the network.

Revaluations

Following initial recognition at cost, operation land and buildings and infrastructural assets are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and infrastructural assets and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Where no market exists for assets, for example for infrastructural assets, the fair value is the depreciated replacement costs.

Any revaluation surplus is credited to the appropriate asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same class of asset previously recognised in the income statement. Revaluation changes are recorded on a class of assets basis.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is re-stated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation and Decline in Service Potential

Depreciation is provided on all fixed assets other than land, road formation and items under construction, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their remaining useful lives. Straight line depreciation is calculated on the following assets:

Fixed Assets		
Buildings	1.4% to 20%	5 to 70 years (depending on component life)
Vehicles and plant	10% or 15%	10 yrs plant, 6.67 yrs vehicles
Computer hardware and software	25%	4 years
Furniture, fittings and equipment	20%	5 years
Library books	15% or 20%	5 to 7 years (depending on type of collection)
Infrastructural Assets		
Roading		
Pavement (20% subbase, 75% basecourse)	2.5% or 1.25%	(40yrs rural, 80 yrs urban)
Seal	7.7% or 6.7%	(13 yrs rural, 15 yrs urban)
Kerb and channel	1%	(100 years)
Seal on carparks and footpaths	6.67%	(15 years)
Streetlighting	3.33%	(30 years)
Street furniture and pavers	3.33% and 2%	(30 yrs furniture, 50 yrs pavers)
Bridges	1%	(base life 100 years, modified by NAMs factors)
Water supply		
Pipes	1.25% to 2.5%	40-80 years (base life 60 years, modified by NAMs factors)
Hydrants, valves	1% to 1.33%	75-100 years
Treatment plant	1.25% to 10%	10-80 years (depending on components)
Sewerage		
Reticulation	1.67%	60 years (base life 60 years, modified by NAMs factors)
Treatment	6.67%	15 years (on plant and equipment)
Stormwater		
Pipes and culverts	1%	100 years (base life 100 years, modified by NAMs factors)
Stopbanks	not depreciated	
Weirs	1%	100 years
Rural Water and Sewage systems	1% to 2%	

Revaluations (continued)

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Goods and Services Tax (GST)

All amounts in the financial statements are stated exclusive of GST except receivables, contract retentions, and payables which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivable or payable in the balance sheet.

Landfill aftercare provision

Council has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at its former landfill sites. A provision for post-closure costs has been recognised as a liability.

The provision is based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to Council.

Financial Instruments

Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Balance Sheet and all revenues and expenses in relation to financial instruments are recognised in the Income Statement.

Employee Entitlements

Provision is made in respect of the Council's liability for annual leave and retirement gratuities.

Annual leave has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis at current rates of pay. There is no long service leave. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is low in value and not considered to change significantly from the 2009 level. A review of accumulated sick leave and past take-up of prior period balances is completed annually so materiality can be considered.

Leases

Council as a lessor

Leases where the Council effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Revenue under these leases is recognised as income in a straight-line basis over the term of the lease.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Balance Sheet.

Council as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenditure on a straight-line basis over the term of the lease.

Leases which effectively transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Balance Sheet.

The leased assets are depreciated over the period the Council is expected to benefit from their use.

Equity

Equity is the Community's interest in the Council as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council makes of its accumulated surpluses.

The components of equity are:

- Ratepayers Equity
- Restricted reserves (Special Funds)
- Council-created reserves (Special Funds)
- Asset revaluation reserves

Special Funds

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special Funds may be legally restricted or created by the Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which the Council may not revise without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third parties or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by MDC.

The gains are held in the reserve until such time as the gain is realised and a transfer can be made to accumulated funds.

Cost of Service Statements

The Cost of Service Statements, as provided in the Activity Statements of the LTCCP, show the cost of services for the activities and services of the Council, and any revenue earned or allocated to those activities.

Cost allocations

Where costs are identifiable, support departments charge out the cost of their services direct to activities using those services. The remaining costs of administrative and financial service type activities are allocated to operational activities. Operational activities are those which provide a service direct to the public.

The basis of the corporate overhead allocation is "estimated use of service" which is reviewed each year, based on transaction samples.

Inflation

The projected net costs of service for the ten years shown in the financial statements have been adjusted for inflation. The inflation rate assumptions are listed in the 'Assumptions' section of the LTCCP

Changes in Accounting Policies

There are no changes to accounting policies, which result in any significant items

Funding Impact Statement

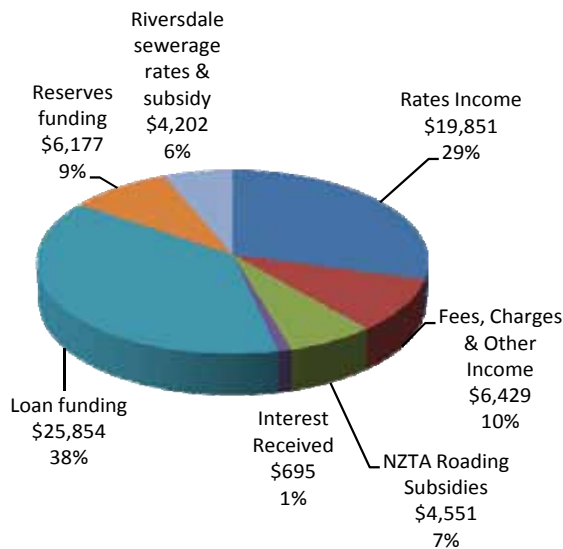
1. Introduction

- 1.1 A Funding Impact Statement must be prepared pursuant to Schedule 10 of the Local Government Act 2002. It must be included as part of the Long Term Council Community Plan and Annual Plan and be adopted in accordance with the Special Consultative Procedures.
- 1.2 **Important:** At various parts in this statement a level of rate or charge is specified. These were indicative figures included to give ratepayers an estimate of what their level of rates is likely to be and are based on the rating requirements of the Annual Plan. These figures are not the actual rates that will be assessed in the coming year. The actual figures will be determined on adoption of the Annual Plan prior to 30 June 2010 and the finalisation of the Council's Rating Information Database at 30 June 2010.
- 1.3 All figures for Rates and Charges as shown are exclusive of GST, unless stated. The GST rate will increase from 12.5% to 15% from 1st October 2010. All rates will be charged inclusive of the prevailing rate of GST so as not to disadvantage the Council's revenue needs. A composite rate of GST will be used in order to calculate the full year's rates revenue.
- 1.4 The revenue raised in each instance is the total revenue required by the Council before accounting for GST to central government.
- 1.5 The net operating expenses (net of user charges, subsidies & other external revenue) of the Council for 2010/11 total \$22,827,905 (excl GST) and will be provided by applying the various rating mechanisms outlined within the Revenue & Financing Policy and detailed below.
- 1.6 User Charge income is recovered by way of fees and charges, rents and recoveries. Appendix 1 of this Plan provides a list of the major fees and charges and in particular those that are changing from 1 July 2010
- 1.7 The Revenue & Funding Policy is unchanged from that adopted as part of the 2009-19 Long Term Council Community Plan (LTCCP), except for the Riversdale Beach sewerage rates, as specified in the LTCCP Amendment. The table on the following page illustrates the application of the rating policy to the funding requirement for 2010/11 and compares to the LTCCP Year 2 prediction.
- 1.8 In addition to operating expenditure, the Council has a capital works programme of \$38.9 million scheduled for 2010/11.
- 1.9 Separately Used or Inhabited Part of a Rating Unit
- 1.10 The following definition applies to the levying of all targeted rates by the Masterton District Council where the Council has determined that the rate shall apply to each separately used or inhabited part of a rating unit:-
- A separately used or inhabited part of a rating unit includes any portion of any separate rating unit used or inhabited by any person, other than the ratepayer (as defined by clause 11 of the Local Government (Rating) Act 2002), having the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.*

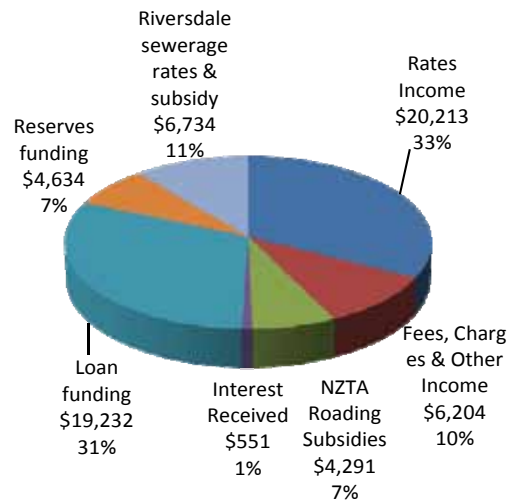
FUNDING IMPACT STATEMENT SUMMARY (excluding GST)				
Annual Plan 2010/11				
2009/10 Plan		2010/11 Annual Plan	2010/11 per LTCCP Yr 2	000's Variance
Expenditure to be funded				
30,069	Total operating expenditure	31,863	31,629	(234)
16,155	Total capital expenditure	38,942	34,305	(4,637)
641	Loan repayments	1,115	757	(358)
1,194	Transfers to reserves	1,399	969	(430)
(6,110)	Less depreciation not funded (in lieu of renewals expenditure and loan repayments being funded)	(5,561)	(5,800)	(238)
\$41,949		\$67,758	\$61,860	(\$5,898)
Funding				
18,218	Local authority rates (excl Riversdale sewerage)*	19,851	20,213	(362)
6,054	Fees, charges & other income	6,429	6,204	224
4,375	NZTA roading subsidies	4,551	4,291	259
713	Interest received	695	551	144
4,612	Loan funding	25,854	19,232	6,622
7,552	Reserves funding	6,177	4,634	1,543
425	Riversdale sewerage capital rates and SWSS subsidy	4,202	6,734	(2,532)
\$41,949		\$67,758	\$61,860	\$5,898

*Excludes rates on MDC properties

Funding Sources 2010/11 Draft Annual Plan



Funding Sources LTCCP Year 2



Funding Impact Statement 2010/11 - Rates Revenue**\$000's**

(All figures exclude GST)

Rates Revenue		2010/11 Annual Plan			2010/11 LTCCP Year 2		
		Amount to be Collected by Ward			Amount to be Collected by Ward		
		Urban	Rural	Total	Urban	Rural	Total
Differential Targetted Rates							
Roading Rate	LV rate	1,958	1,813	3,771	1,985	1,836	3,820
Representation & Development Rate	CV rate	1,317	359	1,676	1,392	378	1,770
Regulatory Services Rate	CV rate	940	438	1,378	849	423	1,272
Sundry Facilities & Services Rate	CV rate	1,433	453	1,886	1,458	464	1,922
		5,648	3,063	8,711	5,683	3,101	8,784
Targetted Rates							
Uniform Annual Charge	Chrg	1,892	1,060	2,952	1,885	1,078	2,963
Roading Charge	Chrg	258	981	1,239	320	990	1,310
Recycling Collection Charge	Chrg	369		369	378	-	378
Civic Amenities Rate	CV rate	1,304		1,304	1,434	-	1,434
Urban Water Supply Rate	CV rate	1,362		1,362	1,380	-	1,380
Urban Water Supply Charge	Chrg	909		909	921	-	921
Urban Sewerage Rate	CV rate	1,874		1,874	1,932	-	1,932
Urban Sewerage Charge	Chrg	1,252		1,252	1,288	-	1,288
Rural water & sewerage scheme rates*	Chrg	2	173	175	2	145	147
		9,223	2,214	11,437	9,539	2,213	11,752
Total Rates**		14,871	5,278	20,148	15,222	5,314	20,536
Percentage Change (after growth, exclg GST inc)		8.9%	4.9%	7.8%	11.6%	5.1%	10.0%
Percentage Change (after growth, inclg GST inc)		10.7%	6.7%	9.6%			
* Uniform Annual Charges as % of Total Rates		16.9%	38.7%	22.6%	17.0%	38.9%	22.6%
** Note: figures above exclude Riversdale & Tinui capital contributions							
Riversdale capital contributions			2,673	2,673		5,239	5,239
Tinui capital contributions			37	37		0	0

FUNDING IMPACT STATEMENT - RATES SUMMARY 2010/11

Estimated District Values	U1	U2	Total Urban	Total Rural	Total District
Differential	1	2.0		-	
District Land Value	862,200,000	154,200,000	1,016,400,000	1,902,700,000	2,919,100,000
District Capital Value	1,869,600,000	356,000,000	2,225,600,000	2,655,000,000	4,880,600,000
Uniform Charges (no.)	8,025	665	8,690	3,495	12,185
Water Charges (no.)	8,059	608	8,667	-	8,667
Sewerage Charges (no.)	7,902	605	8,507	-	8,507
Recycling Charges (no.)	7,857	595	8,452	0	8,452

Note: the valuation figures listed above are an estimate of the values at 30 June 2010.

	Rating Requirement (exclg GST)			Uniform Charges and Rates in \$ EXCLUDING GST		
	Urban	Rural	Total	U1	U2	Rural
Targetted Charges	\$ 14,864,113	\$ 7,937,147	\$ 22,801,260			
Uniform Annual Charge	1,883,542	1,058,054	2,941,596	217.70	217.70	303.39
Uniform Roading Charge	258,326	980,892	1,239,217	29.73	29.73	280.66
Recycling Collection Charge	369,486	-	369,486	43.72	43.72	-
sub total	2,511,354 <i>16.9%</i>	2,038,946 <i>25.6%</i>	4,550,300 <i>19.9%</i>			
Uniform Water Charge	909,325	-	909,325	104.92	104.92	-
Uniform Sewerage Charge	1,251,784	-	1,251,784	147.15	147.15	-
sub total	2,161,109 <i>14.5%</i>	-	2,161,109 <i>33.6%</i>	543.21	543.21	584.04
Land Value Rates						
Roading Rate	1,957,688	1,813,439	3,771,128	0.001672	0.003346	0.000953
	1,957,688 <i>13.2%</i>	1,813,439 <i>22.8%</i>	3,771,128 <i>18.9%</i>	0.001672	0.003346	0.000953
Capital Value Rates						
Representation & Development Rate	1,316,969	359,110	1,676,079	0.000510	0.001020	0.000135
Regulatory Services Rate	940,223	437,537	1,377,760	0.000364	0.000728	0.000165
Sundry Facilities Rate	1,433,497	453,240	1,886,737	0.000555	0.001110	0.000171
Civic Amenities Rate	1,304,342	-	1,304,342	0.000505	0.001010	-
Water Rate	1,361,982	-	1,361,982	0.000496	0.000992	-
Sewerage Rate	1,874,350	-	1,874,350	0.000681	0.001362	-
sub total	8,231,363 <i>55.4%</i>	1,249,887 <i>15.7%</i>	9,481,250 <i>47.5%</i>	0.003111	0.006223	0.000471
Other Targetted Rates	14,861,514	5,102,272	19,963,786			
Opaki water race	Targetted LV rate	17,350		per \$LV of serviced properties		0.000529
Te Ore Ore water race	Targetted LV rate	24,200		per \$LV of serviced properties		0.001535
Tinui water supply	Targetted Chrg	9,570		292.90	per connection	
Castlepoint sewerage	Targetted Chrg	42,650		223.30	per connection	
Riversdale Beach sewerage (RBCSS)	Targetted Chrg	52,954		184.51	per servicable property	
RBCSS Capital - LS 95% (GST at 12.5%)	Targetted Chrg	1,625,333		14,133.33	115 est. no. of REs take this option	
RBCSS Capital - Yr 1 of 2	Targetted Chrg	788,813		8,933.33	88 est. no. of REs take this option	
RBCSS Capital - Yr 1 of 5	Targetted Chrg	90,667		3,626.67	25 est. no. of REs take this option	
RBCSS Capital - Yr 1 of 20	Targetted Chrg	167,934		1,466.67	115 est. no. of REs take this option	
Tinui sewerage capital - Lump Sum stage II	Targetted Chrg	31,189	full lump sum	4,455.52	7 properties paying in full	
Tinui sewerage capital - time pymt for stage I	Targetted Chrg	372	time payments	185.79	2 properties paying stage I off	
Tinui sewerage capital - time pymt for stage II	Targetted Chrg	930	time payments	465.14	2 properties paying stage II off	
Tinui sewerage capital - time pymt for stage I & II	Targetted Chrg	4,557	time payments	650.93	7 properties paying stage I & II off	
Tinui sewerage - operating	Targetted Chrg	5,003	operating	250.00	per connection	
Sewerage Tmt Charge (Milford Downs)	2,973			174.86	per connection	
Total Rates	\$ 14,864,487	\$ 7,963,792	\$ 22,828,279	All rates above EXCLUDE GST		
LS = lump sum, TP = time payment						

FUNDING IMPACT STATEMENT - RATES SUMMARY 2010/11

Estimated District Values	U1	U2	Total Urban	Total Rural	Total District
Differential	1	2.0		-	
District Land Value	862,200,000	154,200,000	1,016,400,000	1,902,700,000	2,919,100,000
District Capital Value	1,869,600,000	356,000,000	2,225,600,000	2,655,000,000	4,880,600,000
Uniform Charges (no.)	8,025	665	8,690	3,495	12,185
Water Charges (no.)	8,059	608	8,667	-	8,667
Sewerage Charges (no.)	7,902	605	8,507	-	8,507
Recycling Charges (no.)	7,857	595	8,452	0	8,452

Note: the valuation figures listed above are an estimate of the values at 30 June 2010.

Targetted Charges	Rating Requirement			All Rates INCLUDING GST at composite rate		
	Urban	Rural	Total	Uniform Charges and Rates in \$		
	U1	U2	Rural			
	\$ 17,000,829	\$ 9,078,112	\$ 26,078,942			
Uniform Annual Charge	2,154,301	1,210,149	3,364,450	249.00	249.00	347.00
Uniform Rooding Charge	295,460	1,121,895	1,417,355	34.00	34.00	321.00
Recycling Collection Charge	422,600	-	422,600	50.00	50.00	-
sub total	2,872,361	2,332,044	5,204,405			
	16.9%	25.7%	20.0%			
Uniform Water Charge	1,040,040	-	1,040,040	120.00	120.00	-
Uniform Sewerage Charge	1,431,728	-	1,431,728	168.30	168.30	-
sub total	2,471,768	-	2,471,768	621.30	621.30	668.00
	14.5%		33.6%			
Land Value Rates						
Rooding Rate	2,239,106	2,074,121	4,313,227	0.001913	0.003826	0.001090
	2,239,106	2,074,121	4,313,227	0.001913	0.003826	0.001090
	13.2%	22.8%	18.9%			
Capital Value Rates						
Representation & Development Rate	1,506,283	410,732	1,917,016	0.000583	0.001166	0.000155
Regulatory Services Rate	1,075,380	500,433	1,575,813	0.000417	0.000834	0.000188
Sundry Facilities Rate	1,639,562	518,393	2,157,955	0.000635	0.001270	0.000195
Civic Amenities Rate	1,491,841	-	1,491,841	0.000578	0.001156	-
Water Rate	1,557,767	-	1,557,767	0.000568	0.001136	-
Sewerage Rate	2,143,360	-	2,143,360	0.000779	0.001558	-
sub total	9,414,194	1,429,558	10,843,753	0.003560	0.007120	0.000538
	55.4%	15.7%	47.5%			
	16,997,429	5,835,724	22,833,153			
Other Targetted Rates						
Opaki water race	Targetted LV rate	19,844		per \$LV of serviced properties		0.000605
Te Ore Ore water race	Targetted LV rate	27,679		per \$LV of serviced properties		0.001756
Tinui water supply	Targetted Chrg	10,946		335.00	per connection	
Castlepoint Sewerage	Targetted Chrg	48,781		255.40	per connection	
Riversdale Beach Sewerage	Targetted Chrg	60,566		211.00	per servicable property	
*RBCSS - LS 95% (GST at 12.5%)	Targetted Chrg	1,828,500		15,900.00	115 est. no. of REs take this option	
RBCSS - LS Yr 1 of 2	Targetted Chrg	902,205		10,217.50	88 est. no. of REs take this option	
RBCSS - TP Yr 1 of 5	Targetted Chrg	103,700		4,148.00	25 est. no. of REs take this option	
RBCSS - TP Yr 1 of 20	Targetted Chrg	192,074		1,677.50	115 est. no. of REs take this option	
Tinui Sewerage - LS stage II	Targetted Chrg	35,672	full lump sum	5,096.00	7 properties paying in full	
Tinui sewerage - TP stage I	Targetted Chrg	425	time payments	212.50	2 properties paying stage I off	
Tinui sewerage - TP stage II	Targetted Chrg	1,064	time payments	532.00	2 properties paying stage II off	
Tinui sewerage - TP stage I & II	Targetted Chrg	5,212	time payments	744.50	7 properties paying stage I & II of	
Tinui sewerage - operating	Targetted Chrg	5,722	operating	286.00	per connection	
Sewerage Tmt Charge (Milford Downs)	3,400			200.00	per connection	
Total Rates	\$ 17,000,829	\$ 9,078,112	\$ 26,078,942	All rates incl GST at 14.375% (except *)		
LS = lump sum, TP = time payment				GST will be charged at 12.5% until 30 Sept 2010 and 15% after 1st October 2010.		

*RBCSS = Riversdale Beach Community Sewerage Scheme

2. **Differential – General Rates**

2.1 The Council proposes to continue its practice of not having one 'General' rate but instead having a number of 'General' rates charged in the two rating wards on a differential basis and levied on either land value or capital value, as described in the Revenue & Financing Policy.

2.2 These rates will be set on a differential basis using rating areas (urban & rural) to determine the quantum of rates required.

2.3 Rating areas are defined as:

Urban rating area – all serviceable or serviced properties within the urban area of Masterton as defined by the District Plan

Rural rating area – all separately rateable properties in the rural area of Masterton District

2.4 The differential categories are explained as follows:

(i) Category 1 **U1** (Differential 1.0)

- Urban Residential – all rating units in the urban rating area used primarily for residential purposes, or for public halls, for sporting purposes or are vacant land

Category 2 **U2** (Differential 2.0)

- Non-residential urban – all rating units in the urban rating area used for purposes other than residential use (as defined in (1) above)

(ii) Category 3 **R1** (Differential 1.0)

- Rural – all rating units in the rural area

2.5 Properties which have more than one use (or where there is doubt on the relevant primary use) will be split with a rating unit division so that each division allows the rates to be levied according to the relevant use of the property. Note, that subject to the rights of objection to the rating information database set out in Section 28 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

2.6 The four **General Rates**, set as per section 13(2)(b) of the Local Government (Rating) Act 2002 will be as follows:

Roading Rate – estimated per dollar of **Land Value** for 2010/11 will be:

U1 (0.001672 per dollar of land value)

U2 (0.003340 per dollar of land value)

R1 (0.000953 per dollar of land value)

Raising a total of approximately \$3,771,000.

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

- (i) Subsidised road maintenance and renewals programme on the District roading network
- (ii) Non-subsidised roading maintenance in the urban area
- (iii) Non-subsidised roading maintenance in the rural area

Representation & Development Rate – estimated per dollar of **Capital Value** for 2010/11 will be:

- U1 (0.000510 per dollar of capital value)
 - U2 (0.001020 per dollar of capital value)
 - R1 (0.000135 per dollar of capital value)
- Raising a total of approximately \$1,676,000

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

- (i) Governance and representation
- (ii) Community development
- (iii) Arts and culture
- (iv) Economic development and promotion
- (v) District amenities (security cameras, under-verandah lighting)

Regulatory Services Rate – estimated per dollar of **Capital Value** for 2010/11 will be:

- U1 (0.000364 per dollar of capital value)
 - U2 (0.000728 per dollar of capital value)
 - R1 (0.000165 per dollar of capital value)
- Raising a total of approximately \$1,377,800

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

- (i) Resource management and district planning
- (ii) Environmental Health, Building and General inspection services
- (iii) Civil Defence
- (iv) Rural Fire (rural only)

Sundry Facilities & Services Rate – estimated per dollar of **Capital Value** for 2010/11 will be:

- U1 (0.000555 per dollar of capital value)
 - U2 (0.001110 per dollar of capital value)
 - R1 (0.000171 per dollar of capital value)
- Raising a total of approximately \$1,886,800

The Sundry Facilities & Services rate will be used to provide the following services (see Allocation Table in LTCCP vol3 for urban/rural share of each service cost):

- (i) Recycling and composting
- (ii) Urban stormwater
- (iii) Public conveniences
- (iv) District building (i.e. Town Hall)
- (v) Sportsfields (rural only)
- (vi) Public conveniences
- (vii) Rural halls
- (viii) Other property costs

3. Differential Targeted Charge – Uniform Annual Charge (UAC)

3.1 In addition to the general rates collected on a differential basis, the Council proposes to set a differential targeted uniform annual rate (under sections 16(3)(a), 16(4)(b), 17 and 18) charged on each separately used or inhabited part of a rating unit.

3.2 The estimated uniform annual charge for 2010/11 will be:

U1 & U2 **\$217.70** per part of rating unit
 R1 **\$303.39** per part of rating unit
 Raising a total of approximately \$2,941,600.

3.3 The Uniform Annual Charge will be used to provide the following services:

- (i) Library & Archive
- (ii) Recreation centre
- (iii) Sportsfields (approx 20% of urban share)
- (iv) Parks and reserves (rural only)
- (v) Forestry
- (vi) Cemeteries
- (vii) Dog control
- (viii) Rural landfills & transfer stations (rural only).

4. Differential Targeted Charge – Roothing Charge

4.1 In addition to the roading rate collected on a differential basis, the Council proposes to set a differential targeted roading charge (as per sections 16(3)(a) and (4)(b), 17 and 18) on each separately used or inhabited part of a rating unit.

4.2 The estimated roading charge for 2010/11 will be:

U1& U2 **\$29.73** per part of rating unit
 R1 **\$280.66** per part of rating unit
 Raising a total of approximately \$1,239,200

4.3 The Roothing Charge will be used to fund a portion of the Roothing costs allocated to each ward (as per the Revenue & Financing Policy).

5. Differential Targeted Charge – Recycling Collection Charge

5.1 The Council proposes to set a targeted rate for the recycling collection service on the following basis:

- (i) **Urban** – on every separately used or inhabited part of a rating unit situated within the urban area of Masterton to which the Council is prepared to provide the service.
- (ii) **Rural** – on every separately used or inhabited part of a rating unit situated within the rural area of Masterton to which the Council is prepared to provide the service.

5.2 The rate for 2010/11 is proposed as:

- (i) Serviced Property **\$43.72**
 Raising a total of approximately \$369,500

6. *Differential Targeted Rates & Charges*

- 6.1 Urban Water Supply, Urban Sewerage and Civic Amenities.
- 6.2 Differentials Based on Location and Availability of Service
- 6.3 The Council proposes to use the definitions below to assess rates on rating units for urban water supply and urban sewerage.

Availability of Service

- (i) Urban Water Supply Rate:

The differential categories for the proposed uniform water supply rates are:

- **Connected** – any separately used or inhabited rating unit that is connected to the Masterton urban water supply
- **Serviceable** – any separately used or inhabited rating unit that is not connected to the Masterton urban water supply but is within 100 metres of such water supply and within the urban rating area

- (ii) Sewerage Rate:

The differential categories for the proposed sewage disposal rate are:

- **Connected** – any separately used or inhabited rating unit that is connected to the Masterton public sewerage system
- **Serviceable** – any separately used or inhabited rating unit that is not connected to the Masterton public sewerage system but is within 30 metres of such a service and within the urban rating area

7. *Civic Amenities Rate*

Civic Amenities Rate – estimated per dollar of **Capital Value** for 2010/11 will be:

U1 (0.000505 per dollar of capital value)

U2 (0.001010 per dollar of capital value)

Raising a total of approximately \$1,304,300

The Civic Amenities rate will be used to provide the following services:

- (i) Parks and reserves (urban share)
- (ii) Sportsfields (80% of urban share)
- (iii) Airport (urban share)

8. *Urban Water Supply*

Targeted on Uniform Basis and Capital Value Rate

- 8.1 The Council proposes to set a targeted capital value rate plus a uniform charge for water supply on the basis that these are targeted rates for separately used or inhabited parts of a rating unit throughout the serviced area where rating units are connected to urban water supply scheme or for which connection is available.
- 8.2 The charge will be set on a differential basis based on the availability of service (the categories being 'connected' and 'serviceable'). Rating units that are not connected and which are not serviceable will not be liable for the rates.

8.3 The estimated rates for 2010/11 are:

Urban Water Supply Charge

(i) Connected **\$104.92** raising \$909,300

Urban Water Supply Rate charged on connected and serviceable properties – estimated per dollar of capital value for 2010/11 will be:

U1+ R1 (0.000496 per dollar of capital value)

U2 (0.000992 per dollar of capital value)

Raising a total of approximately \$1,874,000

Total to be raised for Urban Water Supply \$2,783,300

Urban (Metered) Water Supply in Rural Area

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

8.5 The estimated rates for 2010/11 are as follows:

(i) Price per cubic metre for between 50 and 100 cu mtrs per quarter **0.62c**

(ii) Price per cubic metre for consumption over 100 cu mtrs per quarter **0.80c**

Minimum charge per quarter of **\$22.22** for 50 cu mtrs per quarter or below

9. **Urban Sewerage Rate**

Targeted on Uniform Basis and Capital Value Rate

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

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

9.3 The estimated rates for 2010/11 are:

Urban Sewerage Charge

(i) Connected **\$147.15** raising \$1,251,800

Urban Sewerage Rate charged on connected and serviceable rating units – estimated per dollar of capital value for 2010/11 will be:

U1+ R1(0.000681 per dollar of capital value)

U2 (0.001362 per dollar of capital value)

Raising a total of approximately \$1,874,300

Total to be raised for Urban Sewerage \$3,126,100

9.4 Trade Waste Charges

The Council has a Trade Waste bylaw. The level of discharging to the sewer has been established for each individual trade-discharging property via a consent application process. All connected trade waste dischargers will continue to pay sewerage rates, plus a scale of treatment charges for trade waste dischargers and application and inspection fees.

See 11.2 below for the charging model.

10. Rural Water and Sewerage Schemes

- 10.1 The Council proposes to set targeted rates for the **Opaki Water Race** on the basis of land value of the properties serviced.

The land value rate for 2010/11 is \$0.000529, raising a total of \$17,350.

- 10.2 The Council proposes to set targeted rates for the **Te Ore Ore Water Race** on the basis of the land value of the properties serviced.

The land value rate for 2010/11 is \$0.001535, raising a total of \$24,200.

- 10.3 The Council proposes to set targeted rates for the **Tinui Water Supply** on the basis of connected properties.

The uniform charge per property for 2010/11 is: **\$292.90** raising a total of approximately \$9,570.

- 10.4 The Council proposes to set targeted rates for the **Castlepoint Sewerage Scheme** on the basis of connected properties.

The uniform charge per connection for 2010/11 is: **\$223.30** raising a total of \$42,650.

- 10.5 The Council proposes to set a targeted rate for the **Riversdale Beach Sewerage Scheme** on the basis of potentially connectable properties (the scheme is in the construction phase).

The uniform charge per potential connection for 2010/11 will be: **\$184.51** raising a total of approximately \$53,000.

Capital Contributions – as per the Amendment to the LTCCP for 2009-19 and the Capital Project Funding Plan for the Riversdale Beach Sewerage Scheme (both documents are included as part of this Annual Plan), the capital costs of the scheme will be charged per residential equivalent (RE). The sum of \$14,889 per RE has been established using a funding model that allocates the share of costs after subsidies. The following payment options have been made available for Riversdale Beach property owners to pay their capital contributions:

1. **Lump Sum 95%** = 95% of amount for each RE invoiced in July 2010, payable 20 August 2010. This equates to \$15,900 including GST at 12.5%, less a 2.5% prompt payment discount if paid by the due date. The balance will be payable in 2011/12 once final scheme costs are known.
2. **Lump Sum Yr 1 of 2** = 60% of amount for each RE levied as a targeted rate in 2010/11 (equates to \$10,050 including GST at 12.5%), with the balance of 40% payable via 2011/12 rates.
3. **Time Payment Yr 1 of 5** – each RE levied as a targeted rate spread over 5 years, with interest applied at 7.5% (equates to \$4,080 pa including GST at 12.5%)

4. Time Payment Yr 1 of 20 – each RE levied as a targeted rate spread over 20 years, with interest applied at 7.5% (equates to \$1,650 pa including GST at 12.5%)

- 10.6 The Council proposes to set five targeted rates for the **Tinui Sewerage Scheme** for the 2010/11 year, on the basis of connected properties and their elected capital contributions for stages I and II of the scheme's upgrade. One rate will cover the annual operating costs of the scheme. The other rates will be levied on the connected properties as per their elected capital contribution payment options.

The **Operating Costs** rate per connection (including Tinui School as 5 connections) for 2010/11 is: **\$250.00** raising a total of approximately \$5,000.

The **Lump Sum Capital Contribution** rate (7 properties) for 2010/11 is: **\$4,455.00**

The **Part Capital Contribution** Stage I (2 properties) for 2010/11 is: **\$185.79**

The **Part Capital Contribution** Stage II (2 properties) for 2010/11 is: **\$465.14**

The **Part Capital Contribution** Stage I & II (7 properties) for 2010/11 is: **\$650.93**

- 10.7 The Council proposes to set a targeted rate called the **Sewage Treatment Charge** on the basis of connected properties in the rural area discharging septic tank outflows to the urban sewerage system.

The estimated uniform charge per property for 2010/11 is: **\$175.00** raising a total of \$3,000.

11. Out-of-District Water & Sewerage Charges

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

- (i) Water supply – as per water meter charges in 8.5 above
- (ii) Sewerage – estimated per dollar of Capital Value will be \$0.001362 plus \$147.15 charge or under Trade Waste bylaw regime as outlined below:

- 11.2 The **Trade Waste** consent fees (excl GST) proposed for premises defined as large users (per Schedule 1 of the Bylaw) are:

Flow	\$0.29 (per m^3)
Suspended Solids (SS)	\$0.62 (per kg)
Biological Oxygen Demand (BOD)	\$0.70 (per kg)

For trade waste dischargers where the practicalities of measuring the flow and strength make it uneconomic, a scale of fixed charges has been set. A conditional status indicates the premises does not meet minimum requirements and will be required to pay a higher annual charge until compliance with the conditions of discharge.

Annual Trade Waste consent fees are proposed as follows:

Small dischargers

Controlled	\$127 +GST pa
Conditional	\$310 +GST pa

Medium dischargers

Controlled	\$506.30 +GST pa
Conditional	\$985.00 +GST pa

Large dischargers

Controlled	\$1,125 +GST pa
Conditional	\$2,110 +GST pa

Additional inspections \$86 +GST per hour

A scaled administration charge per application of:

Small \$140.70 +gst

Medium \$267.30 +gst

Large \$520.60 +gst

Septic Tank Waste (via landfill weighbridge) \$64/tonne (inc GST) – previously \$48/tonne

12. Discount

The Council will offer a discount of 2.5% to ratepayers who pay the full year's rates (and any arrears) prior to the penalty date of the first instalment due in August 2010.

The cost of this discount is estimated to be \$55,000 (+GST).

13. Due Dates For Payment of Rates

Rates will be charged in four instalments dated on:

- (i) 1st instalment 1st August 2010
- (ii) 2nd instalment 1st November 2010
- (iii) 3rd instalment 1st February 2011
- (iv) 4th instalment 1st May 2011

14. Penalty Charges

Penalties will be charged as follows:

10% charged on the balance of arrears unpaid as at 7th July 2010

10% charged on the balance of the first instalment of rates remaining unpaid after 20th August 2010

10% charged on the balance of the second instalment of rates remaining unpaid after 22nd November 2010

10% charged on the balance of the third instalment of rates remaining unpaid after 21st February 2011

10% charged on the balance of the fourth instalment of rates remaining unpaid after 20th May 2011

15. Roundings

Rates statements will be subject to roundings. The rates due will be calculated to the nearest cent, but rounded to the nearest 10 cents.

Schedule of Fees

The fees in this section are set for Year 1 to meet the budgeted income levels for the various activities in accordance with the Council's policies.

Resource Consent Fees

LAND USE OR SUBDIVISION CONSENTS		
Activity	Interim Fees	
Controlled	\$400.00 (incl GST)	
Restricted Discretionary	\$600.00 (incl GST)	
Discretionary	\$700.00 (incl GST)	
Non Complying	\$1,500.00 (incl GST)	
Heritage Items*	Free	
Plan Change	\$5,000.00 (Incl GST)	
	Additional Charges	Fee
	Public Notification	\$500.00 (incl GST)
	Limited Notification	\$350.00 (incl GST)
	Pre Hearing	\$300.00 (incl GST)
	Hearing	\$1,000.00 (incl GST)
	Hourly Rate above Deposit	\$80.00 (incl GST)
	External Consultancy	Actual costs
Post Decision	Appealed Condition	\$150.00 (incl GST)
CERTIFICATION		
	Fee	
223 & 224 Certificates	\$150.00 (incl GST)	
S226 Certificate - Existing Use Rights Certificate of Compliance	\$300.00 (incl GST)	
PWCDP CHARGES		
	Fee	
Infrastructure Contribution (see next page)	\$5,000.00 (plus GST)	
Reserve Contributions+	Rural 2% of land value (plus GST)	* Waiver only applies to works to the heritage item but does not include other non compliance issues, eg boundary encroachments.
	Urban 3% of land value (plus GST)	
Roading Contributions+	Rural 3% of land value (plus GST)	+ Total combined rural reserve and roading contribution is capped at \$7,500+gst
	Urban 2% of land value (plus GST)	
LIM - Urgent (5 days)	\$230.00 (incl GST)	
LIM - Standard (10 days)	\$185.00 (incl GST)	
Certification of Title Searches	\$ 20.00 (incl GST)	

Infrastructure Contributions

The figures below are payable by property owners who are taking up new connections to the various sewerage and water supply services in the Masterton District. The contribution is the 'buy in' price for new joiners that connect to the services.

All contributions are payable prior to connection.

New connection to Masterton urban services		\$5,000.00 (excl GST) per residential equivalent connection
Nominal split between services:	Sewer	\$3,000.00 (excl GST)
	Water	\$2,000.00 (excl GST)

This contribution is payable by subdividers/developers under the new Wairarapa Combined District Plan, as part of issuing resource consent for new lots. The charge is effectively a joining fee to join the existing network services. For all other new connections the contributions are payable by the owner prior to connection.

Developers may be required to pay additional contributions depending on their development's assessed impact on the future network upgrade needs.

Upper Plain water (trickle feed off urban supply)	\$2,666.67 (excl GST) plus connection costs (restriction valve, backflow valve etc)
Other Rural – (metered) connection to Masterton urban water	\$2,000.00 (excl GST) plus connection costs (restriction valve, backflow valve etc)
Rural – connection to Masterton urban sewer	\$3,000.00 (excl GST)
Airport – additional cost recovery for Hood Airport water & sewer lines –	Additional \$4,000.00 (excl GST and \$3,000.00 (excl GST) respectively.
Tinui sewerage	\$8,000.00 (excl GST)
Tinui water supply	\$3,200.00 (excl GST)
Castlepoint sewerage	\$4,500.00 (excl GST)
Taueru water supply	\$4,000.00 (excl GST)
Riversdale Beach sewerage	\$20,444.44 (excl GST)

All of the above charges do not allow for:

- Installation costs
- Inspection & admin fee
- Back flow valves, meters etc

Building Consent and PIM Fees

Effective 1st July 2010 to the 30th June 2011		
All fees are GST Exclusive. The total fee including PIM (if applicable) and levies are to be paid at lodgement time		
Description	PIM fee (if applying prior or with building consent application) Additional to BC fee	Building consent (BC) only fee excl PIM fee, BRANZ and DBH levy
Minor Work		
Solid Fuel Heater	\$32.22	\$200.00
Minor Plumbing, Drainage Work-Fittings, Drain alteration (Solar Panel)	\$32.22	\$264.00
Drainage Work eg. New Minor Subdivision Services & Common Drains (See commercial fees for larger subdivision)	\$32.22	\$676.44
Drainage Work eg. New Effluent Disposal System	\$32.22	\$573.33
Wet Area Shower (vinyl floor)	\$32.22	\$367.11
Wet Area Shower (tile floor)	\$32.22	\$503.11
Residential Marquee > 100sq m (no insp.) professional assembly	\$32.22	\$96.89
Marquee > 50 sq m (no insp.) professional assembly < 50 people	\$32.22	\$96.89
Marquee > 50 sq m (with insp.) > 50 people	\$32.22	\$200.00
Sheds / Garages / Conservatories etc		
Swimming & Spa Pools	\$32.22	\$264.00
Garden Sheds/Retaining Walls/Carports	\$32.22	\$400.00
Decks/ Conservatories/Pergolas & Other Minor Works	\$32.22	\$400.00
Minor Farm Buildings Haysheds covered yards 1-6 bays etc	\$64.44	\$464.00
Larger farm buildings (covered yards, wool sheds) no plumbing or drainage	\$64.44	\$670.22
Larger farm buildings (covered yards, wool sheds) with plumbing or drainage	\$64.44	\$1,011.56
Proprietary Garages Standard	\$64.44	\$464.00
Proprietary Garages with Fire Wall	\$64.44	\$567.11
Proprietary Garages with plumbing and drainage	\$64.44	\$715.56
Proprietary Garages including sleepout no plumbing or drainage	\$64.44	\$567.11
Proprietary Garages including sleepout with plumbing and drainage	\$64.44	\$773.33
Garages, Custom Design	\$64.44	\$599.11
Garages, Custom Design with plumbing and drainage	\$64.44	\$805.33
Residential Repile	\$32.22	\$400.00
Residential Demolition	\$32.22	\$264.00
Residential New Dwellings		
Single Story Brick Veneer Urban	\$257.78	\$2,242.67
Single Story Brick Veneer Rural	\$257.78	\$2,706.67
Single Story Weatherboard Urban	\$257.78	\$2,345.78
Single Story Weatherboard Rural	\$257.78	\$2,835.56
Single Story Stucco/Texture Coating/Ply/Steel/Block Urban	\$257.78	\$2,513.78
Single Story Stucco/Texture Coating/Ply/Steel/Block Rural	\$257.78	\$3,029.33
Multi Storey Brick Veneer Urban	\$386.67	\$2,500.44
Multi Storey Brick Veneer Rural	\$386.67	\$2,964.44
Multi Storey Weatherboard Urban	\$386.67	\$2,603.56
Multi Storey Weatherboard Rural	\$386.67	\$3,093.33
Multi Storey Stucco/Texture Coating/Ply/Steel/Block Urban	\$386.67	\$2,771.56
Multi Storey Stucco/Texture Coating/Ply/Steel/Block Rural	\$386.67	\$3,287.11
Transportable Dwelling (Yard built)	\$64.44	\$1,972.44
<i>Note: Double Units charged at single unit rate plus 50%</i>		
<i>Dwellings with multiple cladding types are charged at Stucco/Texture coating/Ply/Steel/Block rate</i>		
<i>Other charges may apply. Check the last section of this schedule or contact a Council officer.</i>		

Description	PIM fee (if applying prior or with building consent application) Additional to BC fee	Building consent (BC) only fee excl PIM fee, BRANZ and DBH levy
Residential Dwelling Additions & Alterations		
Internal Alterations	\$32.22	\$400.00
Internal Alterations with Plumbing & Drainage	\$32.22	\$503.11
Single Story Brick Veneer	\$64.44	\$838.22
Single Story Brick Veneer with Plumbing & Drainage	\$64.44	\$1,044.44
Single Story Weatherboard	\$64.44	\$941.33
Single Story Weatherboard with Plumbing & Drainage	\$64.44	\$1,147.56
Single Story Stucco/Texture Coating/Ply/Steel/Block	\$64.44	\$1,173.33
Single Story Stucco/Texture Coating/Ply/Steel/Block with Plumbing & drainage	\$64.44	\$1,379.56
Residential Dwelling Additions & Alterations (continued)		
Multi Storey Brick Veneer	\$128.89	\$1,005.33
Multi Storey Brick Veneer with Plumbing & Drainage	\$128.89	\$1,211.56
Multi Story Weatherboard	\$128.89	\$1,108.44
Multi Story Weatherboard with Plumbing & Drainage	\$128.89	\$1,314.67
Multi Story Stucco/Texture Coating/Ply/Steel/Block	\$128.89	\$1,340.44
Multi Story Stucco/Texture Coating/Ply/Steel/Block with Plumbing & Drainage	\$128.89	\$1,546.67
<i>Note: All residential additions with multiple cladding types are charged at Stucco/Texture coating/Ply/Steel/Block rate</i>		
Relocated Residential Dwellings		
<i>Note: If Relocation Includes Alterations or Additions <u>Add</u> Alteration & Addition rate as above</i>		
Relocated Residential Dwelling Urban	\$386.67	\$1,160.00
Relocated Residential Dwelling Rural	\$386.67	\$1,366.22
<i>(See other charges for bonds)</i>		
Commercial / Industrial		
Single Story Shop fit outs	\$64.44	\$831.11
Multi Story Shop fit outs	\$64.44	\$1,037.33
Single storey Multi Unit Apartments/Motels	\$257.78	\$1,280.00 plus \$260.44 per unit
Multi storey Multi Unit Apartments/Motels	\$386.67	\$1496.89 plus \$433.78 per unit
Minor Commercial work e.g. Signs/Shop Fronts/Minor fit outs (No P/D)	\$128.89	\$528.89
Use Commercial rate for large subdivision services installations		
Commercial/Industrial <\$50,000	\$0.00	
Commercial/Industrial \$50,001 – \$100,000	\$206.22	\$1,572.44
Commercial/Industrial \$100,001 – \$150,000	\$348.00	\$2,191.11
Commercial/Industrial \$150,001 – \$250,000	\$412.44	\$2,809.78
Commercial/Industrial \$250,001 – \$350,000	\$515.56	\$3,428.44
Commercial/Industrial \$350,001 – \$500,000	\$618.67	\$4,047.11
Commercial/Industrial \$500,001 – \$1,000,000	\$721.78	\$4,665.78
Commercial/Industrial >\$1,000,000	\$721.78	\$5,078.22 plus \$304.00 per \$100,000 value
<i>Development levies may apply to commercial building consents. Check with Council</i>		

OTHER CHARGES**GST Exclusive - GST will be applied at the prevailing rate**

Infrastructure Contributions may apply to connections or additional loads on council services. Check with Council Planning office.

Connection fees may apply to new connections to Council services. Check with Council.

BRANZ Levy \$1-00 per \$1,000 and DBH Levy – \$1-97 per \$1,000 of GST incl for work of \$20,000 or more		
Unscheduled Building, Plumbing and Drainage Inspections	\$103.11	
Structural Engineering or Fire Engineering Assessment/Peer review – Cost + 10%		
NZ fire service design review – Cost + 10%		
<i>The building consent fee does not include the cost of any structural or fire engineers assessment which may be required</i>		
Compliance Schedule charge	\$128.89	
Inspection hourly rate	\$128.89	
Re-inspection fee	\$103.11 per inspection	
Certificate of Acceptance – Building consent fee for the applicable building payable with lodgement plus actual cost charges at \$128.89 per hour payable on issue of certificate.		
Reassessment fee (amended plans) – \$137.78 lodgement fee (includes 1/2 hour assessment) plus \$128.89 per hour over and above first 1/2 hour		
Building Warrant of Fitness audit inspection fee – Actual costs at \$128.89 per hour		
Vehicle crossing bonds will be assessed for each application where required		
Street, crossing, footpath or berm damage bond	\$444.44	
Building consent/permit details are not able to be removed from the Council offices. The following fees apply		
<u>Photocopying:</u>	Black – up to A3	\$0.89 each
	Colour – up to A3	\$1.78 each
	Black – up to A0	\$4.00 each
Scan documents and email or write to disc (single pages) Black	\$2.67 per sheet	
Scan documents and email or write to disc (large quantities) Black	Price on application	
Scan colour documents larger than A3	Price on application	

Cemetery Charges

GST Exclusive - GST will be applied at the prevailing rate

Plot Fees		2010/11
Lawn Cemetery Plots		
Child no more than 12 mths old		\$139.00
Child more than 12 mths but less than 10 yrs		\$277.00
All others		\$830.00
Cremations Plots – Berms		\$207.00
Interment Fees		
Lawn Cemetery		
Child no more than 12 mths		\$139.00
Child more than 12 mths but less than 10 yrs		\$345.00
All others		\$692.00
Cremations – Berms		\$288.00
Other Charges		
Out of district fee		\$693.00
Breaking/Removing stone work, concrete		Actual costs
Interments on Sat, Sun, Statutory holidays		\$345.00 or actual cost
(This fee additional to regulation charges)		whichever is greater
Interments requiring attendance outside core working hours of normal working week (ie 0730 – 1630). These charges are additional to regulation fees		Actual costs (i.e. staff penal payments incurred plus administration fee)
Disinterments		Actual costs
Availability of sand for hand filling adult plots		\$276.00
Availability of soil for hand filling adult plots		\$346.00
Purchase of third plot (special conditions apply)		\$1,384.00
Removal of headstones and foundation structures		Actual costs
Construction of concrete floor, covers or renovation		Actual costs
RSA – No charge for plot or Out of District fee Interment Fee Only		

Trade Waste Charges

These charges are split into three types: an application fee, an annual consent fee and fee based on flow and strength if discharges reach the trigger point as defined in Schedule 1 of the Council's Trade Waste Bylaw. All Trade Waste charges are additional to the Sewerage rates paid.

GST Exclusive - GST will be applied at the prevailing rate

Application Fees	2010/11
Small discharges	\$140.70
Medium discharges	\$267.30
Large discharges	\$520.60
Trade Waste Consent Fees	
Small (controlled)	\$127.00
Small (conditional)	\$310.00
Medium (controlled)	\$506.50
Medium (conditional)	\$985.00
Large (controlled)	\$1,125.00
Large (conditional)	\$2,110.00
Large (users over Schedule 1 triggers) charged per flow strength and solids as follows:	
Flow (per cubic m)	0.29
Biological Oxygen Demand (BOD) (kg)	0.70
Suspended Solids (SS) (kg)	0.62
Additional Inspections	\$86.00

Landfill and Urban Transfer Station Charges – Nursery Road

Transfer Station Charges – Nursery Road

The following prices are proposed to apply from 1st July 2010.

NOTE: All refuse charges include the Waste Minimisation Levy of \$10/tonne (plus GST)

Domestic Prices (include GST) unless otherwise stated.

Load Size Revised from 1 July 2010 (inc GST)	Green Waste to Composting	Refuse to Transfer Station
Official MDC Council Bags	N/A	Prepaid (no charge at gate)
Bags – any other bag (up to 30kg)	N/A	\$5 per bag
Car or station wagon (up to 100kg)	\$5	\$18
Van, Utility, small trailer (up to 250kg)	\$10	\$42
Trailer (up to 500kg)	\$15	\$55
Truck or large trailer	\$50/tonne (+GST)	\$152/tonne (+GST)

Note: Any load can be requested to be weighed, **but a minimum charge of \$10 will apply.**

Commercial Prices (Excluding GST, unless stated)

	2010/11
General Refuse, incl construction & demolition materials	\$152/tonne
Tyres (more than 4 tyres, or where tyres are in a mixed load)	\$472/tonne
Tyres (car & 4WD, up to 4)	\$2.50 ea (inc GST)
Tyres (car & 4WD, on rims, up to 4)	\$3.50 ea (inc GST)
Tyres (truck, up to 4, excludes tractor & earthmovers)	\$5.50 ea (inc GST)
Grease Trap & Special Waste	\$152/tonne
Special waste minimum charge	\$26 (inc GST)
Sawdust & shavings (treated)	\$152/tonne
Sawdust & shavings (untreated)	\$37.50/tonne
Liquid Waste (to sewer)	\$43.50/tonne
Cleanfill	\$5.50/tonne
Recycling (e.g. all steel load)	No Charge

*Subject to prior disposal arrangements with the Council

Rural Recycling and Transfer Station Facilities

Load Size	Green Waste	Refuse
	2010/11	2010/11
Official MDC Council Bags	N/A	Prepaid (no charge at gate)
Bags – any other bag (up to 30kg)	N/A	\$5 per bag
Car or station wagon (up to 100kg)	\$5	\$18
Van, Utility, small trailer (up to 250 kg)	\$10	\$42
Large Trailer or Small Truck (less than 3T)	\$58	\$70
Large Truck (more than 3T)	\$44/M ³	\$55/M ³

Pensioner Housing

GST Inclusive

Weekly Rentals	Number and Style of Units	2010/11
<u>Panama Complex</u>	25 Bedsitters	\$80.00
	15 One Bedrooms	\$86.00
	4 One Bedrooms - Double	\$92.00
<u>Laurent Place</u>	8 Bedsitters	\$76.00
	4 One Bedrooms	\$83.00
	6 One Bedrooms Double	\$93.00
<u>Bodmin Flats</u>	8 Bedsitters	\$76.00
<u>Truro Flats</u>	4 One Bedrooms	\$83.00
	4 Garages	\$7.50

Building Hire Charges – District Building and Town Hall*GST will be applied at the prevailing rate*

	2010/11	
	GST Excl	GST Incl @12.5%
Town Hall		
<u>Displays, Exhibitions</u> – clear floor		
Pack in / out per day	\$75.55	\$85.00
Week day	\$176.00	\$198.00
All day and evening	\$224.89	\$253.00
Saturday, Sunday or public holiday	\$244.44	\$275.00
Each hour after midnight	\$97.78	\$110.00
<u>Sales of Goods / Auctions</u> – local		
Non local per day	\$224.89	\$253.00
Pack in Pack out day	\$440.00	\$495.00
	\$75.55	\$85.00
<u>Meetings, Services</u> – seating, microphones etc		
Weekday morning and afternoon	\$127.11	\$143.00
After hours 5 pm – midnight	\$156.44	\$176.00
All day 8.00 am – 5 pm	\$293.33	\$330.00
All day and evening	\$342.22	\$385.00
Saturday, Sunday or public holidays	\$391.11	\$440.00
Each hour after midnight	\$97.78	\$110.00
<u>Dances, Social Functions</u> (Clear floor)		
Refreshments served – no crockery hirers set up and clean up tables and chairs	\$342.22	\$385.00
Each hour after midnight	\$97.78	\$110.00
<u>Dinners</u>		
Includes hall hire, tables, chairs, full kitchen facilities, crockery, preparation room and dishwasher. Hirers set up and clean up.	\$440.00	\$495.00
Each hour after midnight	\$97.78	\$110.00
<u>Stage Performances</u>		
Free Admission		
Pack in and pack out day	\$75.55	\$85.00
Rehearsal day	\$97.78	\$110.00
Performance day	\$293.33	\$330.00
Two performances in one day	\$586.67	\$660.00
Admission charged – local		
Pack in and pack out day	\$75.55	\$85.00
Rehearsal day	\$97.78	\$110.00
Performance day	\$488.89	\$550.00
Two performances in one day	\$782.22	\$880.00
Admission charged – travelling professionals		
Pack in and pack out day	\$97.78	\$110.00
Rehearsal day	\$146.67	\$165.00
Performance day	\$782.22	\$880.00
Two performances in one day	\$977.78	\$1,100.00
<u>Kitchen</u> – per hire – if not already included		
Serving refreshments – teas, coffees, drinks etc	\$73.33	\$82.50

Town Hall *cont'd***2010/11**

	GST Excl	GST Incl @ 12.5%
Cleaning Fees – per hour (after second performance in one day) or as required	\$24.44	\$27.50
Grand Piano – No charge for hire. Tuning fee		actual cost
Deposit	\$177.78	\$200.00
Bond – if alcohol is served	\$266.67	\$300.00
Safety Officer – per performance	\$44.44	\$50.00
Ushers – 2 required for main hall; 1 for balcony (own arrangement with Masterton District Council staff or by invoice – per person, per show)	\$44.44	\$50.00
Ticket Seller – 1 required (own arrangement with Masterton District Council staff or by invoice – per person, per show)	\$44.44	\$50.00
Licences		
Itinerant Traders – Hirer to obtain licence	\$195.11	\$219.50
Liquor Licence (per event) – hirer to obtain licence	\$56.00	\$63.00
Frank Cody Lounge		
Meetings, Services, Displays		
Office hours, mornings or afternoon	\$73.33	\$82.50
All day or part morning / part afternoon	\$97.78	\$110.00
Before 8.00 am and after 5 pm	\$117.33	\$132.00
Saturday, Sunday, Public Holidays	\$146.67	\$165.00
Social Functions – after hours		
Services <u>breakfasts</u> – includes lounge hire, kitchen, preparation room, some tables/chairs, all crockery	\$171.11	\$192.50
Serving <u>light refreshments</u> – includes lounge hire, kitchen, preparation room, some tables / chairs, no crockery	\$146.67	\$165.00
Serving <u>dinner</u> – includes lounge hire, kitchen, preparation room, tables / chairs, all crockery	\$220.00	\$247.50
Each hour after midnight	\$48.89	\$55.00
Kitchen		
Teas, suppers, and light refreshments	\$24.44	\$27.50
Tea, coffee, fruit juice and biscuits (per head)	\$2.67	\$3.00
Data Projector Hire		
- half day or evening	\$58.67	\$66.00
- full day	\$97.78	\$110.00
Electronic Whiteboard - hire per hour	\$19.56	\$22.00
Cleaning Fees – per hour (if required)	\$24.44	\$27.50

All prices exclude TV and video, overhead projector and screen, lectern, standard whiteboard, chairs, tables, heating, hearing loop, standard lighting and sound system as required.

Meeting Room – 1st Floor	Community Use GST Excl	Community Use GST Incl @12.5%	Non-Community Use GST Excl	Non-Community Use GST Incl @12.5%
Office hours;, morning or afternoon	\$48.89	\$55.00	\$73.33	\$82.50
All day or part morning / part afternoon	\$83.11	\$93.50	\$97.78	\$110.00
Before 8.00 am and after 5.00 pm	\$97.78	\$110.00	\$117.33	\$132.00
Saturday, Sunday and public holidays	\$97.78	\$110.00	\$136.89	\$154.00
Kitchen – teas and refreshments only	\$24.44	\$27.50	\$24.44	\$27.50
<u>Electronic Whiteboard</u> – per hour	\$19.56	\$22.00	\$19.56	\$22.00
<u>Data Projector Hire</u> - half day or evening	\$39.11	\$44.00	58.67	\$66.00
- full day	\$97.78	\$110.00	\$97.78	\$110.00
<u>Cleaning Fees</u> – per hour (if required)	\$24.44	\$27.50	\$24.44	\$27.50

All prices exclude, TV and video, overhead projector and screen, lectern, standard whiteboard, chairs, tables and heating.

Library Charges - Prices below include GST

Service	Rental Charge	Late Return
Hot Picks	\$2.00 – 2 week loan \$3.00 – 3 week load	\$1.00 per day
All other books	No charge for 3 week loan One 3 week renewal available	\$0.20 per day
Premium magazines	\$1.50 – 1 week loan	\$0.40 per day
Music CD's	\$2.00 – 3 week loan	\$0.40 per day
Adult DVD's	\$3.00 – 1 week loan	\$0.40 per day
Junior and Young Adults DVD's	\$2.00 – 1 week loan	\$0.40 per day
Reserves	\$1.00 – per item	
Replacement Card	\$3.00	
Inter loans	\$10.00 – per item	
Computer / Internet Access	<u>Free Use – 8 PC's</u> Access 30 minutes per day Charged – 2 PC's \$1.50 – 15 minutes \$2.50 – 30 minutes \$5.00 – 1 hour	
Power Charge Laptops	Free use for 30 mins, then \$1.00 – per hour	
Printing	\$0.20 – A4 black \$0.50 – \$1.00 colour print	
Photocopying	\$0.10 – A4 black \$0.50 – \$1.00 – A4 colour \$0.20 – A3 black \$1.00 – \$2.00 – A3 colour	
Fax – New Zealand	\$2.00 – first page \$1.00 – each additional page	
Fax – International	\$3.00 – first page \$1.00 – each additional page	
Scan and email	\$1.00 – first page \$0.50 – each additional page	

Environmental Health and Licensing

GST Exclusive - GST will be applied at the prevailing rate

Activity	Fees 2010/11
*Joint connection 15mm water and 100mm sewer	
*Drainage Sewer connection 100mm Sewer connection over 100mm Keeping sewer connection in repair	
*Water Supply 15mm water connection Larger than 15mm connection Renewing 15mm connection Renewing larger than 15mm connection	* Contract Price Plus \$133.33 processing and inspection fee for each application
*Keeping service pipe in repair Disconnection of water supply Reconnection of water supply	
*Installing water meter Testing water meter Keeping meter in repair Renewing meter	
<u>Water</u> Up to 100,000 litres per 3 months	\$0.62 per 1,000L minimum charge of \$25.00
Over 100,000 litres per 3 months	\$0.80 Per 1,000L
2,000-20,000 litres in same load	\$1.33 Per 1,000L
<u>Registration of Premises</u> New food premises	\$222.22
Annual registration	\$160.00 per annum
Minor food processors (Limited sale)	\$80.00 per annum
Inspection fee	\$92.44
Camp ground	\$120.00 per annum
Hairdressers	\$104.89 per annum
Offensive trades	\$104.89 per annum
Transfers	\$111.11 per annum
Funeral directors	\$84.44 per annum

Environmental Health and Licensing Fees cont'd**Fees 2010/11****Licences**

Application for Gambling Venue consent	\$205.33 plus charges
Street photographer	\$97.78 per week
Hawkers licence (including inspection fee)	\$72.00 per annum
Mobile shop licence (including inspection fee)	\$123.11 per annum
Itinerant trader (including inspection fee)	\$195.11 per annum
Street stall – site licence	\$9.33 per week / 4m ²
Street stall – licence	\$14.67 per week
Omnibus stand	\$92.44 per annum
Taxicab stand	\$82.22 per annum
Pie cart stand – site licence	\$17.33 per week
Property numbering	\$14.00 per number, plus mileage and time

Outdoor Cafe Permits - Moritorium on Fees

Footpath and kerbside seating	\$5.33 per seat
Kerbside parking space	
- cost recovery for loss of one parking space (recovered over 10 years)	\$622.22 per annum
- cost recovery for paving etc (recovered over 5 years)	\$520.00 per annum

Bylaws

Duplicate licence	\$56.44
Removal of refuse	actual cost
Advertising sign permit	\$84.00 per annum
Scaffolding and deposit of materials	\$74.66
Display of a hoarding	\$74.66 per month
Trenching permit	\$29.33
Minor earthworks permit	\$19.56

Return of Skateboard

First Offence - 7 day impoundment	
Second Offence - 7 day impoundment	\$33.78 return fee
Third and subsequent seizures - 7 day impoundment	\$48.89 return fee

Additional Inspections for permits, consents etc	\$74.67 per hour
Noise control charges (seizure)	\$48.89 per call out to property
Return of seized equipment	\$48.89 Admin and return

Abandoned Vehicles

Removal urban:	
Additional costs for storage and costs for rural collection	\$149.33

Environmental Health and Licensing Fees cont'd**Fees 2010/11****Parking Meter Charges**

Parking meter operating times: Monday to Friday 9.00am to 5.00pm Saturday 9.00am to 12.00 midday

Parking meter charges \$0.80 per hour, incl GST

No increases in parking meter charges are proposed, however, the charges could be reviewed following the GST increase or in any subsequent Annual Plan.

No change is proposed in the charges for private parking spaces in the Chapel/Perry/Cole St car park. These charges are \$40 / month per space (excluding GST).

Parking Offence Fees (No GST)

P101 Parked within an intersection	\$60.00
P102 Parked on or within 6m of an intersection	\$60.00
P104 Parked on or near a pedestrian crossing	\$60.00
P107 Parked on broken yellow lines	\$60.00
P108 Parked on area reserved for hire or reward	\$60.00
P113 Double parking	\$60.00
P117 Inconsiderate parking	\$60.00
P105 Prohibited area	\$40.00
P109 Parked within 6m of bus stop	\$40.00
P110 Parked across a vehicle entrance	\$40.00
P111 Parked near a fire hydrant	\$40.00
P112 Parked between fire hydrant and road marking	\$40.00
P114 Incorrect kerb parking – Left side of the road	\$40.00
P115 Parked on footpath	\$40.00
P119 Parked on loading zones	\$40.00
P120 Incorrect angle parking	\$40.00
P969 Parked on disabled car parks with permit not displayed	\$150.00
P821 Parked across a line marking a space	\$40.00
Meter/Time Limit	
P106 Parked over the time limit	
P819 Parked on an expired meter	
Not more than 30 minutes	\$12.00
More than 30 minutes but not more than 1 hour	\$15.00
More than 1 hour but not more than 2 hrs	\$21.00
More than 2 hours but not more than 4 hours	\$30.00
More than 4 hours but not more than 6 hours	\$42.00
More than 6 hours	\$57.00

Dog Control Fees

Dog registration fees for 2010/11 were set by Council resolution prior to the adoption of the Annual Plan to enable the issuing of registration notices in early June 2010.

STATEMENT OF PROPOSAL

Amendment of the Masterton District Council 2009-19 Long-Term Council Community Plan

Amendment of the Masterton District Council 2009-19 LONG TERM COUNCIL COMMUNITY PLAN

INTRODUCTION

The Council adopted its 2009-19 Long Term Council Community Plan (LTCCP) on 30 June 2009 following public consultation and the hearing of submissions. In preparing the 2010/11 Annual Plan the Council has identified three issues that it considers significant enough to require consultation before amending the 2009-19 LTCCP.

AMENDMENT ISSUES

1. Following consultation with the Riversdale Beach community a revised funding plan for the **Riversdale Beach Community Sewerage Scheme (RBCSS)** is needed to recover the net cost of the new scheme from the properties in the serviced area. The 2009-19 LTCCP assumed that scheme costs, after subsidies, would be levied as rates and paid over one year (year two of the LTCCP). The Council wishes to now offer additional funding options to allow those connecting to the new scheme, to pay over time. This change requires an update of the Revenue and Financing Policy. The change also requires a higher level of Council debt over the term of the LTCCP as the Council helps those Riversdale property owners to pay off their capital contributions over time. The increased debt will be funded by targeted rates on the Riversdale properties that take up the time-payment options.
2. The forecast capital cost of the **Urban Area Wastewater Upgrade Project (Homebush)** has increased following the granting of the consent and more detailed investigation and design to ensure the new treatment plant will comply with the consent conditions. This project is significant in terms of cost and provision of a higher standard of wastewater services for Masterton. The capital cost of the project has increased \$1.9 million to \$22.8 million and the timing of the expenditure will now impact more in the 2010/11 year. The Council considers that these two changes warrant amending the LTCCP capital expenditure and debt forecasts.
3. The Council's **Treasury Policy** limit for the ratio of **external debt to total revenue** is proposed to be increased from 135% to 150% as the current ratio limit may restrict the Council's ability to use debt to fund its capital programme. The changes to the LTCCP as described in 1 & 2 above have changed the forecast external debt balance of the Council. The financial model on which the LTCCP is based now indicates the ratio of debt to revenue will reach 132.6% in 2012/13 (compared to the policy limit of 135%) before reducing slowly. If the Council is at or close to its policy limit, it may be restricted in its ability to take advantage of other opportunities or respond to urgent and unexpected funding needs. The current policy limit ratio is low compared to many other local authorities. The LTCCP Vol.3, page 70 is proposed to be updated with the new limit of 150%.

Appendix VI of the Treasury Policy (LTCCP Vol.3, pages 100 – 101) shows Council's delegations. These delegations were updated in February 2010 to be consistent with the Treasury Policy. The revised delegations are included with this LTCCP amendment.

WHAT IS AN AMENDMENT TO THE LTCCP? – WHAT CHANGES?

In amending the 2009-19 LTCCP the Council is required to amend those parts of the original LTCCP document so that the 2009-19 LTCCP looks as if the changes were included in the original document. This means that:-

1. Only a small portion of the original document changes. The changes made must be audited and an opinion given by Council's auditor on the effect of the changes on the original LTCCP document.
2. All changes must be made using the base assumptions and budgets in the LTCCP. Only those specific parts of the original LTCCP that are affected by the proposed changes to Riversdale Sewerage funding and the Urban Area Wastewater Upgrade costs and funding will be updated.
3. The budgets for Year two of the LTCCP will not change for most activities. The original budgets are only changed to reflect the effect of those items requiring amendment, this means that the budgets for Year two (2010/11) will be different to those in the draft 2010/11 Annual Plan.

EXPLANATION OF CHANGES TO PROJECTS AND FUNDING PROPOSED

Riversdale Beach Community Sewerage Scheme

The current LTCCP provides for residents to pay their share of the cost of the Riversdale Beach Community Sewerage Scheme (RBCSS) in a lump sum in the 2010/11 financial year.

Following consultation with the Riversdale Beach community the Council has resolved to offer ratepayers connecting to the scheme, four different options for payment of their scheme connection. Three of the options involve Council recovering the contributions using its powers to levy rates on the properties and one option involves invoicing properties directly. The options are:

1. a 95% lump sum payment in 2010/11 and the balance in 2011/12
2. payment through targeted rates over 2 years (2010/11 and 2011/12),
3. a targeted rate payable over 5 years or
4. a targeted rate payable over 20 years.

The introduction of these funding options requires a change to the Revenue and Financing Policy in the LTCCP and this policy can only be changed as an amendment to the LTCCP.

The contract for the construction of the scheme has been tendered and let and construction will commence in the current financial year. This has enabled the capital costs now projected for the project to have a greater degree of certainty, but the focus of this amendment is on how the project is being funded. That funding impacts on the level of debt the Council will carry while some Riversdale property owners pay back their contributions over time.

Further details on the funding of this project are outlined in a Capital Project Funding Plan outlined on pages 158 to 162.

Urban Area Wastewater Upgrade Project (Homebush)

When we consulted on the 2009/19 LTCCP one of the uncertainties was that the Council did not yet have a consent for the preferred treatment plant upgrade option. That consent has now been granted and the design and cost estimates have been refined and updated to meet the consent requirements.

The forecast capital cost for the scheme has increased from \$20.9m to \$22.8m and the timing of the some components of the upgrade have been changed, resulting higher costs in 2010/11. These changes on their own do not require the LTCCP to be amended, however as other changes to the LTCCP are being made the Council has decided that the revised costs for this project should be included in the amended LTCCP.

In February 2010 the Council's consultants have provided an updated cost estimate for the project incorporating confirmed consent conditions and using contract rates for earthworks that were tendered for the Riversdale sewerage contract.

The LTCCP provided for development of the new irrigation area in two parts, with the second part proposed to be completed in 2019/20. The main timing change is the increase in the proposed irrigation area to be constructed at the outset. It has now been confirmed that in order to meet the consent conditions, all of the irrigation area will need to be developed from the outset of the new scheme. The estimate of the capital expenditure scheduled for Homebush from 2010/11 to 2012/13 has increased from \$17.0m to \$21.9m. The majority of the construction work is now proposed to be completed in 2010/11 and the Council expects to be able to take advantage of favourable contracting conditions and economies that can be achieved by having all earthworks completed together.

The attached financial pages incorporate the changes described above, including increased debt requirements and rates funding to meet the costs of servicing that debt.

OUTLINE OF CHANGES MADE TO 2009/19 LTCCP DOCUMENT

Volume Two – Activities

- Amendments to pages 17, 20 and 21 highlighting major projects to reflect changes to the cost and funding for the Urban Area Wastewater Upgrade Project (Homebush) and to the outline of the Riversdale Beach Community Sewerage Scheme (RBCSS).
- The inclusion of a new Capital Project Funding Plan for the RBCSS as an appendix to the LTCCP and to be consulted upon as part of the amendment. This Funding Plan is required to enable Lump Sum contributions to be collected for this scheme.
- An amendment to the Financial Strategy on page 27 to reflect the impact of the change to the RBCSS funding.
- Changes to the Financial Summaries for Waste Services on pages 68 and 69, the Description of Extra Assets planned on page 76 and the Cost of Service Statements for Wastewater on page 78.
- Updated Financial Statements for the 10 years on pages 231 to 236, Cost of Service Statement on page 238 and Funding Impact Statement on page 244.
- Updated pages for Capital Projects on pages 252, 253 and 255.

Volume Three – Policies

- Changes to the Revenue and Financing Policy in relation to Rural Sewerage on page 20.
- Changes to Years 2 and 3 of the Funding Impact Statement on page 26 and rates setting on page 34.
- Changes to the borrowing limits in the Treasury Policy on page 70 and to the delegations on pages 81 and 82.

Assumptions in the LTCCP

All significant forecasting assumptions are the same as used in the LTCCP adopted in 2009. The following assumptions have been made on the numbers of properties choosing different funding options for the RBCSS.

- 20% of existing residential properties will choose the lump sum option to pay 95% of their contribution in 2010/11.
- 30% of existing residential properties will choose the lump sum option to pay over 2 years.
- 10% of existing residential properties will choose to pay through a 5 year targeted rate.
- 40% of existing residential properties will choose to pay through a 20 year targeted rate.
- Most properties that are charged more than one residential equivalent will choose the 2 year targeted rate option.

A variation from these assumptions, while affecting the financial statements for the various years, will not have a material effect on the financial statements and will not breach any of the treasury policy ratios or the requirement for the Council to have a balanced budget.

Impact of Changes on the LTCCP adopted in 2009

The financial impact of the changes, in years 2 to 5 of the LTCCP, is outlined in the following table that shows the **movement** from the financial summaries in the 2009 LTCCP:

Financial Measure	2010/11	2011/12	2012/13	2013/14
Income Statement				
Operating Income	-2,758,507	+1,657,766	+ 779,481	+ 696,373
Operating Expenditure	+ 222,737	+ 474,891	+ 367,628	+ 321,325
Operating Surplus	-2,981,244	+1,182,875	+ 411,853	+ 375,048
Balance Sheet (values at 30 June)				
Assets	+3,549,441	+3,350,442	+2,845,016	+2,899,823
Debt level	+6,503,224	+5,090,263	+4,186,209	+3,871,676
Equity	-2,981,243	-1,798,369	-1,386,517	-1,011,469

Impact of Changes on the LTCCP adopted in 2009 (continued)

The main impact on the Council's operational and balance sheet budgets reflected in the above movements has been caused by the change in the way the RBCSS is being funded. In the 2009-19 LTCCP the contributions from property owners (\$5.239 million) were to be received by the Council in the 2010/11 financial year. This meant that the Council was not borrowing any funds for the scheme and received a "one off" gain that was reflected in the operating surplus for that year.

The change from this amendment to the LTCCP means the Council will now be borrowing \$3.4 million in 2010/11 and will receive a mixture of lump sum contributions and targeted rates over 2, 5 and 10 years. This has the effect of increasing Council debt and also increasing the operational surplus in years 2011/12 to 2018/19. There is a negative impact on the projected surplus for 2010/11 due to the loss of the one off lump sum payments in that year.

There is also a \$3.1 million increase in borrowing to fund the Wastewater Treatment Upgrade in 2010/11 due to a combination of changes in timing and total cost. The combined effect of the borrowing for these projects has a significant impact on the Council's debt levels, as projected in the plan. (Note: the projected debt level for 2010/11 is higher than that projected in the 2010/11 Annual Plan as the Annual Plan has made allowance for the deferral of some capital projects).

The increasing debt levels will see the various Treasury Policy Ratios peak in 2012/13 with the ratio of external debt to total revenues reaching 132.6%. This is very close to the existing policy limit of 135%. Research has shown that this policy limit is very conservative with most Local Authorities having a policy of 150% or higher. For this reason a policy change from 135% to 150% is proposed as part of this amendment to the LTCCP.

Financial Strategy (LTCCP Vol 2, page 27)

The existing paragraph in the Financial Strategy relating to the Riversdale Sewerage Scheme on the bottom of page 27 is replaced with the following strategy statement:-

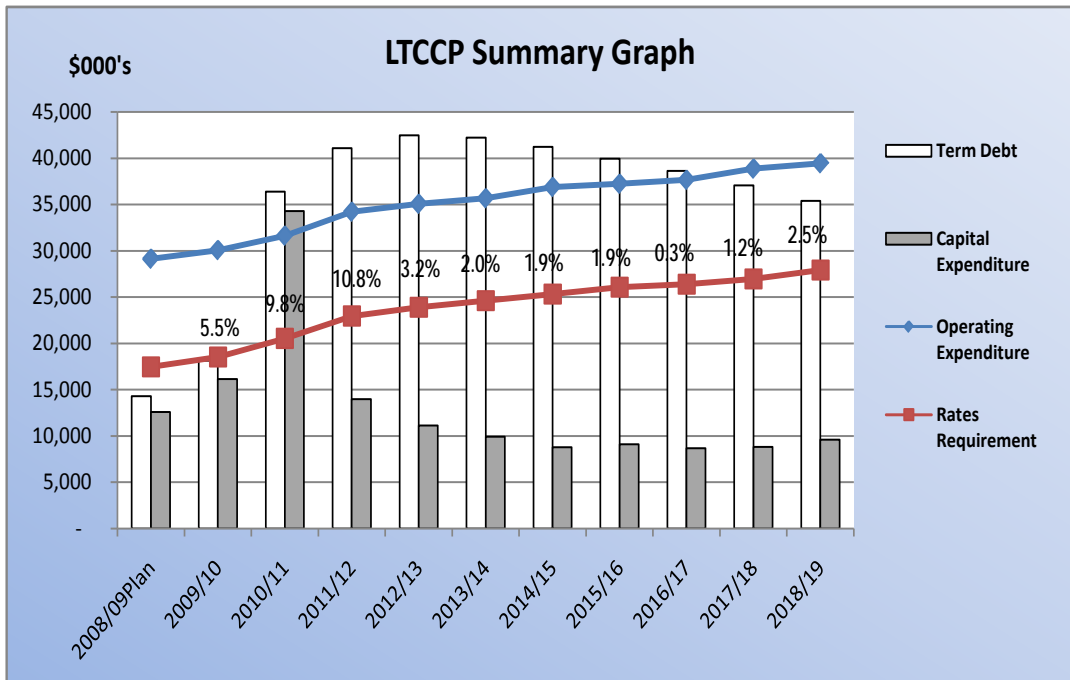
Riversdale Beach Community Sewerage Scheme

The Riversdale sewerage scheme has attracted a government subsidy of \$1.92 million. \$0.575 million of council reserves has also been allocated to help subsidise the project with the balance of \$6.3 million to be funded by the Riversdale Beach property owners and future connections. The Council is offering property owners four different options to pay for their share of the scheme cost. This includes payment by a lump sum or by targeted rates. The allocation of cost share per property is to be based on residential equivalent units.

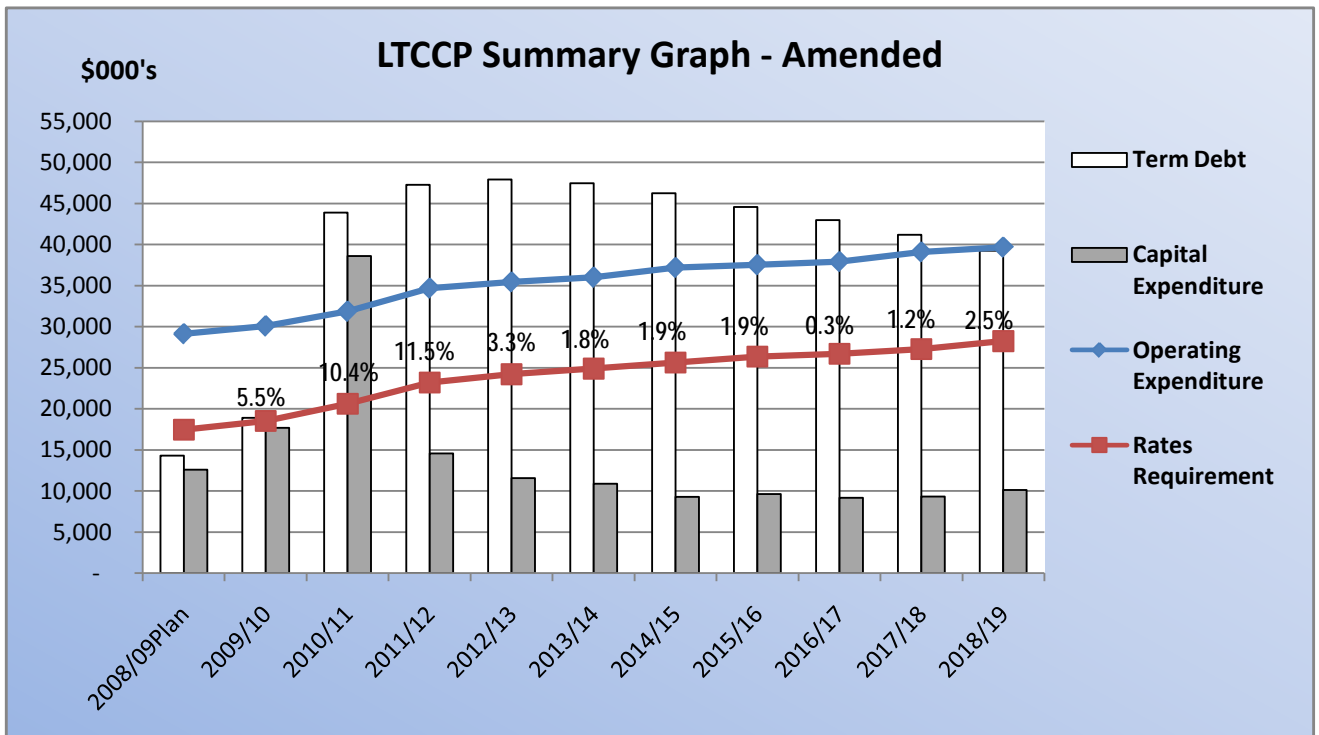
Replacement Pages

The following 15 pages are updated versions of graphs and pages from the 2009-19 LTCCP. They now become the Amended 2009-19 LTCCP pages. Original LTCCP page numbers are noted on each page.

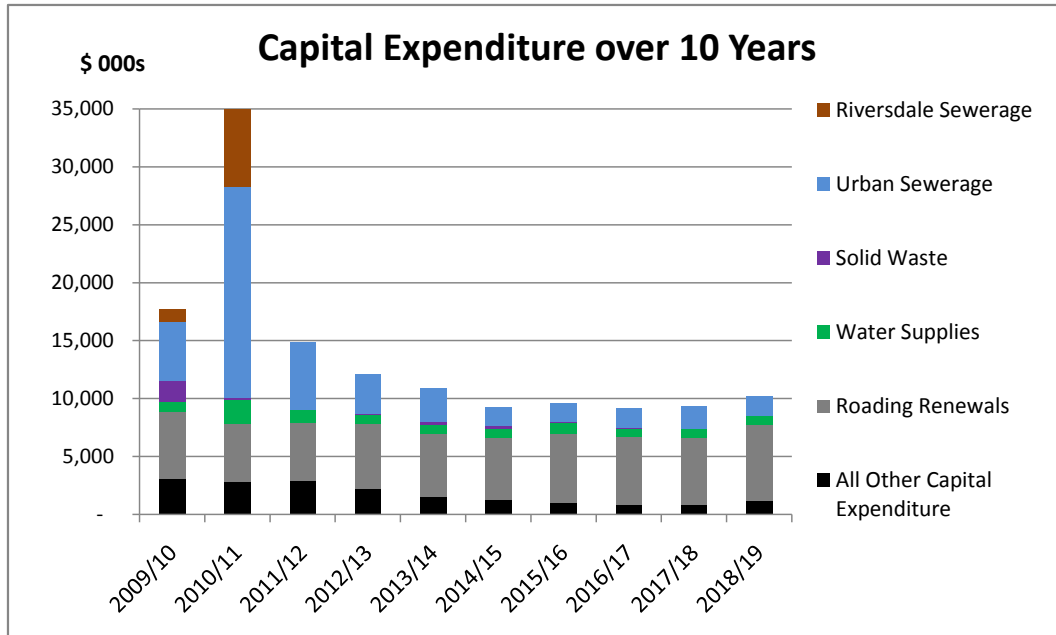
LTCCP Summary Graph as per 2009-19 LTCCP Vol. 2, page 17



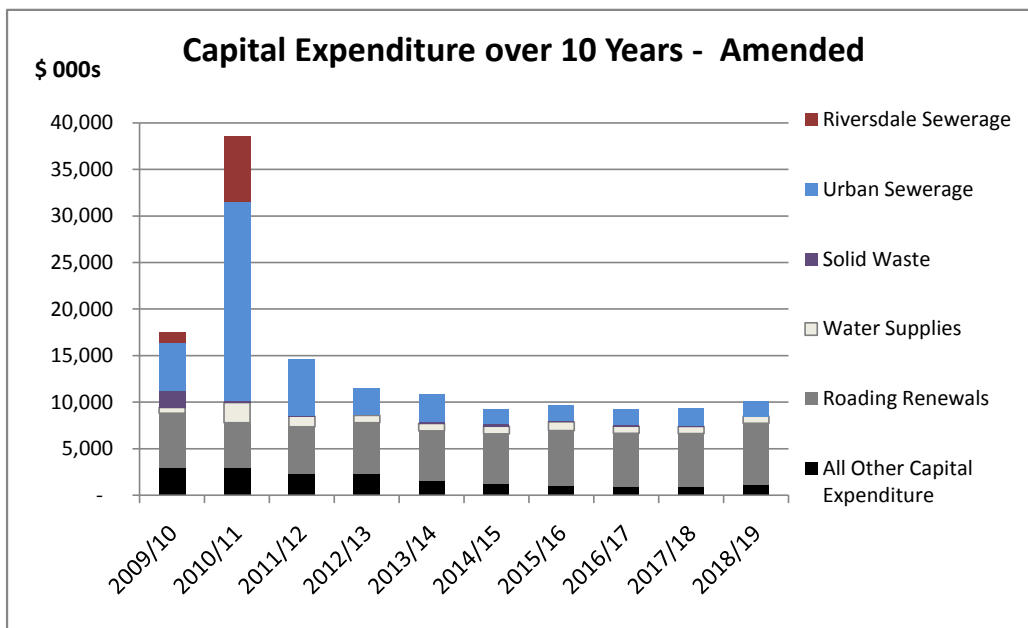
LTCCP Summary Graph as per 2009-19 LTCCP as Amended



Capital Expenditure Graph per 2009-19 LTCCP Vol 2, page 253



Capital Expenditure Graph per 2009-19 LTCCP as Amended



Revised Financial Pages – 2009-19 LTCCP as Amended

LTCCP Vol.2 Page 68

Capital Expenditure Summary		2009/10	2010/11	2011/12
Annual Plan 2008/09				
\$		\$	\$	\$
	Urban Sewerage system			
550,000	Homebush treatment plant development	900,000	18,670,000	3,195,525
290,000	Sewerage reticulation renewals*	2,500,000	1,864,800	1,988,745
	Pumping station renewals	-	-	-
175,000	Homebush step screen replacement	175,000	-	-
1,015,000	Total Urban Sewerage system	3,575,000	20,534,800	5,184,270
	Rural Sewerage schemes			
300,000	Riversdale sewerage system	1,000,000	7,081,227	-
	Castlepoint sewerage system	-	82,880	-
	Tinui sewerage system*	50,000	-	-
300,000	Total Rural Sewerage system	1,050,000	7,164,107	-
	Stormwater			
250,000	Stormwater upgrades provision (c/fwd)	200,000	725,200	106,350
250,000	Total Stormwater	200,000	725,200	106,350
	Solid Waste Management			
350,000	Urban transfer station & site upgrade	430,000	-	-
	Urban landfill closure	-	207,200	31,905
	Recycling facilities refurbishment	650,000	-	-
	Resource recovery facility	700,000	-	-
	Composting site upgrades	-	-	-
-	Special waste processing facility (c/fwd)	-	-	-
100,000	Tinui transfer station	-	-	-
	Rural landfill closure - Tinui	70,000	-	-
-	Rural transfer station upgrades c/fwd	-	-	-
450,000	Total Solid Waste Management	1,850,000	207,200	31,905
\$2,015,000		\$6,675,000	\$28,631,307	\$5,322,525
	Capital Funding			
(1,300,000)	Loan funds	(3,680,000)	(23,800,619)	(4,409,825)
	Capital Contributions - Riversdale		(753,891)	
-	External funds/Riversdale SWSS subsidy	(425,000)	(1,495,000)	-
(715,000)	Transfer from reserves	(2,570,000)	(1,097,280)	(912,700)
(\$2,015,000)		(\$6,675,000)	(\$27,146,791)	(\$5,322,525)
-	Rates Requirement (Riversdale capital contributions)		1,484,516	-

* The replacement of faulty private laterals will be part of these projects, but the value of work is excluded from this summary as the assets are not Councils and the work will be funded by the private property owners.

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WASTE SERVICES

Rates Requirement Summary

Annual Plan 2008/09		2009/10	2010/11	2011/12
\$				
1,954,259	Urban sewerage system	2,343,265	3,323,013	4,916,881
31,050	Castlepoint sewerage scheme	43,200	42,288	51,599
47,500	Riversdale sewerage scheme	48,391	1,684,661	1,295,112
4,867	Tinui sewerage scheme	8,210	13,437	15,345
257,170	Stormwater	309,518	315,640	359,195
263,100	Recycling collection	336,801	348,312	358,276
41,274	Urban landfill and transfer station	204,035	284,342	266,219
310,138	Waste minimisation	330,425	497,865	512,894
232,574	Rural refuse services	208,110	201,379	207,577
\$3,141,932	Rates Requirement	\$3,831,955	\$8,195,454	\$7,983,097

Note: Includes Riversdale Capital Rates - 1,628,640 1,212,489

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WASTE SERVICES

Wastewater - urban

Annual Plan 2008/09	Cost of Service Statement	2009/10	2010/11	2011/12
\$	Operating Costs	\$		
682,896	Sewerage reticulation	763,737	882,397	896,491
1,260,413	Wastewater treatment	1,153,678	1,847,356	2,902,999
880,950	Depreciation	1,206,850	1,174,100	1,632,764
2,824,259		3,124,265	3,903,853	5,432,254
	Operating Income			
350,000	User charges & lease income	338,000	350,168	359,464
	Appropriations			
(340,000)	Transfers to/(from) reserves	(215,000)	(210,000)	(180,000)
280,122	Provision for loan repayments	394,541	453,869	648,631
(460,122)	Reverse depreciation	(622,541)	(474,541)	(624,541)
1,954,259	Rates Requirement	2,343,265	3,323,013	4,916,881

Wastewater - rural

Annual Plan 2008/09	Cost of Service Statement	2009/10	2010/11	2011/12
\$	Operating Costs	\$		
34,650	Castlepoint sewerage scheme	34,850	36,105	37,064
82,500	Riversdale sewerage scheme	88,391	210,027	309,971
3,550	Tinui sewerage scheme	7,336	7,485	7,718
18,500	Depreciation	19,000	32,750	145,349
139,200		149,577	286,367	500,101
	Operating Income			
9,300	User charges & other income	4,650	4,817	4,946
	Riversdale Capital contributions			39,678
	Development & reserves contributions	-	-	145,160
		4,650	4,817	189,785
	Appropriations			
-	Tsf to reserves - ex Castlepoint sewerage	-	-	-
(41,000)	Transfer from reserves - Riversdale	(40,000)	(30,000)	(30,000)
517	Provision for loan repayments	873	20,570	1,156,739
(6,000)	Reverse depreciation	(5,999)	(16,250)	(75,000)
83,417	Rates Requirement	99,801	255,870	1,362,056
	Note: includes Riversdale Beach Scheme targeted Rates of		144,123	1,212,489

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MASTERTON DISTRICT COUNCIL
LTCCP 2009/10 - 2018/19 FINANCIAL STATEMENTS

INCOME STATEMENT

Operating Income

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Rates (incl Riversdale Sewerage capital rates)	18,217,722	21,939,780	24,098,129	24,003,245	24,677,408	25,388,420	26,031,074	26,352,658	26,916,547	27,868,312
Interest	712,500	550,458	571,862	647,917	749,024	889,910	1,052,177	1,247,592	1,485,247	1,748,719
Fees & Charges	3,085,200	3,226,311	3,311,956	3,394,480	3,476,382	3,564,511	3,653,893	3,743,268	3,832,959	3,921,716
Recoveries	386,335	441,575	410,683	420,836	430,920	441,766	452,771	463,770	474,813	485,737
Commissions	113,000	117,068	120,176	123,170	126,142	129,340	132,583	135,826	139,081	142,301
NZTA Subsidy	4,374,817	4,291,318	4,405,246	4,514,997	4,656,884	4,911,870	4,801,097	5,006,404	5,036,378	5,596,594
Petrol Tax	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Grants & Subsidies	690,140	1,732,802	204,235	198,423	424,242	196,918	201,855	206,793	211,747	216,652
Rentals	803,805	832,744	854,850	876,149	897,285	920,038	943,104	966,174	989,324	1,012,233
Riversdale Capital Contributions	-	753,891	39,678	-	-	-	-	-	-	-
Development Contributions	370,500	383,838	634,903	703,528	654,499	677,360	701,098	725,567	750,886	776,886
Forestry Harvest	16,000	-	92,312	26,160	188,431	-	-	-	35,693	-
Other Income & User Charges	1,123,822	988,160	1,014,398	1,039,669	1,064,752	1,091,745	1,119,122	1,146,495	1,173,965	1,201,152
Total Operating Income	30,073,842	35,437,946	35,938,429	36,128,573	37,525,970	38,391,878	39,268,774	40,174,548	41,226,628	43,150,302

Operating Expenditure

Transport Services	8,648,406	8,849,929	9,450,396	9,560,654	9,591,564	10,428,774	10,192,484	10,304,660	10,833,318	10,950,868
Water Services	2,228,321	2,349,935	2,511,638	2,558,587	2,587,678	2,695,656	2,725,463	2,758,064	2,874,221	2,911,612
Waste Services	5,778,723	6,984,146	8,784,478	9,062,209	9,180,609	9,334,575	9,373,919	9,402,910	9,564,671	9,590,142
Community Facilities	4,284,243	4,456,724	4,691,038	4,897,558	5,187,792	5,081,952	5,278,802	5,358,633	5,509,456	5,664,480
Community Services	2,888,526	2,838,323	2,657,973	2,712,537	2,697,286	2,750,068	2,800,150	2,830,554	2,867,100	2,917,690
Planning & Regulatory Services	2,392,708	2,389,720	2,484,132	2,446,640	2,442,739	2,474,818	2,588,846	2,597,771	2,690,827	2,747,332
Governance & Internal Functions	3,847,980	3,982,920	4,113,575	4,201,073	4,307,178	4,426,028	4,556,492	4,662,331	4,769,135	4,880,399
Total Operating Expenditure	30,068,907	31,851,698	34,693,231	35,439,258	35,994,844	37,191,870	37,516,156	37,914,922	39,108,728	39,662,522
Net Surplus / (Deficit)	\$ 4,935	\$ 3,586,248	\$ 1,245,198	\$ 689,316	\$ 1,531,126	\$ 1,200,008	\$ 1,752,618	\$ 2,259,626	\$ 2,117,900	\$ 3,487,780

Revaluations

	-	39,343,900	6,469,590	22,746	37,132,602	6,008,624	22,929	42,806,812	6,913,132	25,591
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Total Comprehensive Income

	4,935	42,930,148	7,714,787	712,062	38,663,728	7,208,632	1,775,547	45,066,438	9,031,032	3,513,371
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Costs included above: Interest

	1,109,617	2,098,739	3,145,561	3,242,807	3,242,479	3,131,102	3,009,367	2,882,286	2,762,668	2,640,320
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Depreciation

	8,750,000	8,849,356	10,111,130	10,405,117	10,501,062	11,163,853	11,331,299	11,366,556	12,033,541	12,200,749
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**MASTERTON DISTRICT COUNCIL
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FINANCIAL STATEMENTS

**STATEMENT OF
CHANGES IN EQUITY**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Equity at start of year	575,960,190	575,965,124	618,895,273	626,610,060	627,322,122	665,985,850	673,194,483	674,970,030	720,036,468	729,067,501
Comprehensive Income for the year	4,935	42,930,148	7,714,787	712,062	38,663,728	7,208,632	1,775,547	45,066,438	9,031,032	3,513,371
Total recognised revenues & expenses for the year	4,935	\$ 42,930,148	\$ 7,714,787	\$ 712,062	\$ 38,663,728	\$ 7,208,632	\$ 1,775,547	\$ 45,066,438	\$ 9,031,032	\$ 3,513,371
Equity at end of year	575,965,124	618,895,273	626,610,060	627,322,122	665,985,850	673,194,483	674,970,030	720,036,468	729,067,501	732,580,872

TREASURY POLICY CHECK

Net External Debt	18,888,577	43,866,517	47,277,888	47,906,604	47,463,058	46,257,546	44,566,936	42,974,366	41,191,842	39,230,614
Equity (excluding revaluation reserve)	430,023,093	433,609,341	434,854,539	435,543,854	437,074,980	438,274,988	440,027,606	442,287,232	444,405,133	447,892,913
Operating Revenue	30,073,842	35,437,946	35,938,429	36,128,573	37,525,970	38,391,878	39,268,774	40,174,548	41,226,628	43,150,302
Rates Revenue	18,217,722	21,939,780	24,098,129	24,003,245	24,677,408	25,388,420	26,031,074	26,352,658	26,916,547	27,868,312
Interest on External Debt	1,109,617	2,098,739	3,145,561	3,242,807	3,242,479	3,131,102	3,009,367	2,882,286	2,762,668	2,640,320
Interest on Internal and External Debt	1,509,617	2,498,739	3,545,561	3,642,807	3,642,479	3,531,102	3,409,367	3,282,286	3,162,668	3,040,320
Net External Debt Not to Exceed 10% of Equity	3.15%	6.57%	6.96%	7.04%	6.60%	6.38%	6.15%	5.59%	5.31%	5.04%
Net External Debt Not to Exceed 135% of Total Operating Revenues	62.81%	123.78%	131.55%	132.60%	126.48%	120.49%	113.49%	106.97%	99.92%	90.92%
Net interest expense on external debt not to exceed 10% of total revenue	3.69%	5.92%	8.75%	8.98%	8.64%	8.16%	7.66%	7.17%	6.70%	6.12%
Net interest expense on external debt not to exceed 15% of total rates revenue	6.09%	9.57%	13.05%	13.51%	13.14%	12.33%	11.56%	10.94%	10.26%	9.47%
Net interest expense on internal & external debt not to exceed 20% of rates revenue	8.29%	11.39%	14.71%	15.18%	14.76%	13.91%	13.10%	12.46%	11.75%	10.91%

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MASTERTON DISTRICT COUNCIL
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FINANCIAL STATEMENTS

BALANCE SHEET	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Current Assets										
Cash & Bank Accounts	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Short Term Deposits	1,515,411	2,196,959	1,459,423	1,291,886	1,387,311	1,427,760	1,640,122	1,645,916	1,857,493	1,939,988
Rates Debtors	-	-	-	-	-	-	-	-	-	-
Debtors & Other Receivables	2,352,768	3,532,639	3,580,631	3,598,864	3,732,861	3,815,893	3,899,979	3,986,834	4,087,718	4,272,180
Stock	158,704	158,704	158,704	158,704	158,704	158,704	158,704	158,704	158,704	158,704
Other Current Assets	320	320	320	320	320	320	320	320	320	320
Total Current Assets	4,037,203	5,898,622	5,209,078	5,059,574	5,289,196	5,412,677	5,709,125	5,801,774	6,114,235	6,381,192
Non-Current Assets										
Intangible Assets	4,831,296	4,631,296	4,456,296	4,281,296	4,106,296	3,931,296	3,756,296	3,581,296	3,406,296	3,231,296
Forestry Assets	356,975	389,963	324,949	367,691	218,078	327,559	350,489	375,023	365,581	409,019
Infrastructural Assets	508,410,874	576,659,771	579,924,244	580,188,721	617,420,241	615,908,044	615,022,532	656,809,253	655,328,311	654,337,614
Investment Property Assets	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200	1,988,200
Special Funds Term Deposits	7,948,147	5,973,648	8,206,709	9,313,813	11,017,698	13,348,755	15,410,543	18,761,532	22,222,978	26,168,384
Property, Plant & Equipment	72,089,233	72,291,928	79,244,020	79,346,025	78,822,172	84,124,767	82,958,612	81,432,219	86,750,767	85,313,407
Total Non-Current Assets	595,624,724	661,934,806	674,144,418	675,485,746	713,572,685	719,628,622	719,486,672	762,947,523	770,062,134	771,447,919
Total Assets	599,661,927	667,833,428	679,353,495	680,545,319	718,861,881	725,041,299	725,195,797	768,749,297	776,176,369	777,829,112
Current Liabilities										
Trade & Other Payables	3,707,126	3,926,922	4,277,248	4,369,224	4,437,721	4,585,299	4,625,279	4,674,442	4,821,624	4,889,900
Employee Benefits - Current Portion	720,513	742,129	764,393	787,324	810,944	835,273	860,331	886,141	912,725	940,107
Public debt - Current Portion	2,216,420	2,115,129	1,474,544	1,552,887	1,720,581	1,807,940	1,712,769	1,782,524	1,961,228	2,081,228
Provisions - Current Portion	31,900	32,700	268,000	-	-	-	-	-	-	-
Total Current Liabilities	6,675,959	6,816,879	6,784,184	6,709,435	6,969,246	7,228,512	7,198,379	7,343,107	7,695,577	7,911,235
Non-Current Liabilities										
Employee Benefits - Non Current Portion	130,040	133,941	137,959	142,098	146,361	150,752	155,274	159,933	164,731	169,672
Public Debt - Non Current Portion	16,672,157	41,751,388	45,803,344	46,353,718	45,742,476	44,449,606	42,854,166	41,191,842	39,230,614	37,149,386
Provisions - Non Current Portion	218,647	235,947	17,947	17,947	17,947	17,947	17,947	17,947	17,947	17,947
Total Non-Current Liabilities	17,020,844	42,121,276	45,959,250	46,513,763	45,906,784	44,618,305	43,027,388	41,369,722	39,413,292	37,337,006
Equity										
Ratepayers' Equity	418,098,586	422,420,018	422,992,943	422,765,318	422,894,128	421,876,954	421,463,017	420,491,641	419,194,898	418,712,716
Reserves & Special Funds	11,924,506	11,189,323	11,861,596	12,778,536	14,180,852	16,398,034	18,564,589	21,795,591	25,210,234	29,180,197
Asset Revaluation Reserves	145,942,032	185,285,932	191,755,522	191,778,268	228,910,870	234,919,495	234,942,424	277,749,236	284,662,368	284,687,959
Total Equity	575,965,124	618,895,273	626,610,060	627,322,122	665,985,850	673,194,483	674,970,030	720,036,468	729,067,501	732,580,872
Total Liabilities & Equity	599,661,927	667,833,428	679,353,495	680,545,319	718,861,881	725,041,299	725,195,797	768,749,297	776,176,369	777,829,112

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MASTERTON DISTRICT COUNCIL
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FINANCIAL STATEMENTS

CASH FLOW STATEMENT

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cash flows from Operating Activities										
Cash was received from:										
Rates	18,217,722	21,939,780	24,098,129	24,003,245	24,677,408	25,388,420	26,031,074	26,352,658	26,916,547	27,868,312
Grants, subsidies & donations	5,064,957	6,024,120	4,609,481	4,713,420	5,081,127	5,108,788	5,002,952	5,213,197	5,248,125	5,813,246
Petrol tax	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Other income	5,898,682	5,563,716	6,430,965	6,565,759	6,704,414	6,741,728	6,918,485	7,094,245	7,295,825	7,355,563
Interest on investments	712,500	550,458	571,862	647,917	749,024	889,910	1,052,177	1,247,592	1,485,247	1,748,719
	30,073,842	34,258,075	35,890,438	36,110,340	37,391,973	38,308,846	39,184,688	40,087,693	41,125,744	42,965,840
Cash was applied to:										
Payments to suppliers and employees	20,437,422	20,640,190	21,042,633	21,940,288	22,154,923	22,720,617	23,105,929	23,586,449	24,133,956	24,720,853
Interest paid	1,109,617	2,098,739	3,145,561	3,242,807	3,242,479	3,131,102	3,009,367	2,882,286	2,762,668	2,640,320
	21,547,039	22,738,929	24,188,194	25,183,094	25,397,403	25,851,719	26,115,296	26,468,735	26,896,624	27,361,173
Net cash flow from operating activities	8,526,803	11,519,146	11,702,244	10,927,246	11,994,570	12,457,127	13,069,392	13,618,958	14,229,120	15,604,667
Cash flows from Investing Activities										
Cash was received from:										
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Term investments, shares & advances	-	1,974,499	-	-	-	-	-	-	-	-
Forestry investment	16,000	-	92,312	26,160	188,431	-	-	-	35,693	-
	16,000	1,974,499	92,312	26,160	188,431	-	-	-	35,693	-
Cash was applied to:										
Purchase of fixed assets	16,154,750	37,782,036	13,710,403	10,596,599	9,926,865	8,785,892	9,104,632	8,669,605	8,809,266	9,597,692
Term investments, shares & advances	1,355,032	-	2,233,061	1,107,104	1,703,885	2,331,058	2,061,788	3,350,989	3,461,446	3,945,406
Forestry investment	-	8,000	-	46,156	13,080	94,216	-	-	-	17,847
	17,509,782	37,790,036	15,943,463	11,749,859	11,643,830	11,211,166	11,166,420	12,020,594	12,270,712	13,560,944
Net cash flow from investing activities	(17,493,782)	(35,815,538)	(15,851,151)	(11,723,699)	(11,455,399)	(11,211,166)	(11,166,420)	(12,020,594)	(12,235,019)	(13,560,944)
Cash flows from Financing Activities										
Cash was received from:										
Drawdown of public debt	4,612,000	27,194,360	5,526,500	2,103,260	1,109,340	515,070	117,330	120,200	-	-
	4,612,000	27,194,360	5,526,500	2,103,260	1,109,340	515,070	117,330	120,200	-	-
Cash was applied to:										
Repayment of public debt	641,452	2,216,420	2,115,129	1,474,544	1,552,887	1,720,581	1,807,940	1,712,769	1,782,524	1,961,228
	641,452	2,216,420	2,115,129	1,474,544	1,552,887	1,720,581	1,807,940	1,712,769	1,782,524	1,961,228
Net cash flow from financing activities	3,970,548	24,977,940	3,411,371	628,716	(443,547)	(1,205,511)	(1,690,610)	(1,592,569)	(1,782,524)	(1,961,228)
Net Increase / (Decrease) in Cash Held	(4,996,431)	681,548	(737,536)	(167,737)	95,624	40,450	212,362	5,795	211,577	82,495
Add cash at start of year (1 July)	6,521,842	1,525,411	2,206,959	1,469,423	1,301,686	1,397,310	1,437,760	1,650,122	1,655,917	1,867,494
Balance at end of year (30 June)	1,525,411	2,206,959	1,469,423	1,301,686	1,397,310	1,437,760	1,650,122	1,655,917	1,867,494	1,949,989
Represented By:										
Cash & bank	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Short term deposits	1,515,411	2,196,959	1,459,423	1,291,686	1,387,310	1,427,760	1,640,122	1,645,916	1,857,493	1,939,988
Balance at end of year (30 June)	1,525,411	2,206,959	1,469,423	1,301,686	1,397,310	1,437,760	1,650,122	1,655,916	1,867,493	1,949,988

**MASTERTON DISTRICT COUNCIL
LTCCP 2009/10 - 2018/19**
FINANCIAL STATEMENTS
**Reconciliation of Net Surplus to
Operating Activities**

Surplus / (Deficit)	4,935	3,586,248	1,245,198	689,316	1,531,126	1,200,008	1,752,618	2,259,626	2,117,900	3,487,780
Non Cash Expenses										
Revaluation losses/(gains)	-	-	-	-	-	-	-	-	-	-
Depreciation	8,750,000	8,849,356	10,111,130	10,405,117	10,501,062	11,163,853	11,331,299	11,366,556	12,033,541	12,200,749
Share devaluation/(revaluation)	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) provisions	(157,200)	18,100	17,300	(268,000)	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-
Profit on sale of assets	-	-	-	-	-	-	-	-	-	-
Forestry Harvest cost of disposal	16,000	-	92,312	26,160	188,431	-	-	-	35,693	-
Forestry Harvest (classified as investing)	(16,000)	-	(92,312)	(26,160)	(188,431)	-	-	-	(35,693)	-
Assets vesting in council	-	-	-	-	-	-	-	-	-	-
Total Non Cash Expenses	8,592,800	8,867,456	10,128,430	10,137,117	10,501,062	11,163,853	11,331,299	11,366,556	12,033,541	12,200,749
Plus/(less) movements in working capital										
(Increase)/decrease in inventories	-	-	-	-	-	-	-	-	-	-
(Increase)/decrease in receivables	-	(1,179,871)	(47,992)	(18,233)	(133,997)	(83,032)	(84,086)	(86,855)	(100,884)	(184,462)
Increase/(decrease) in payables	(95,705)	219,796	350,327	91,976	68,497	147,578	39,981	49,163	147,181	68,276
Increase/(decrease) in employee entitlements	24,773	25,517	26,282	27,071	27,883	28,719	29,581	30,468	31,382	32,324
Total Movements in Working Capital	(70,932)	(934,558)	328,618	100,813	(37,617)	93,265	(14,524)	(7,224)	77,678	(83,862)
Net cash flow from operating activities	8,526,803	11,519,146	11,702,245	10,927,246	11,994,570	12,457,127	13,069,393	13,618,958	14,229,119	15,604,667

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Prior Yr. Plan 2008/09	LTCCP 2009/10	LTCCP 2010/11	LTCCP 2011/12	LTCCP 2012/13	LTCCP 2013/14	LTCCP 2014/15	LTCCP 2015/16	LTCCP 2016/17	LTCCP 2017/18	LTCCP 2018/19
Rates Requirement Summary										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transport										
Roading	4,941,993	5,214,972	5,404,342	5,594,918	5,749,717	5,959,190	6,035,495	6,141,991	6,274,957	6,697,688
Parking	(42,216)	(53,065)	(52,048)	(50,973)	(49,775)	(51,883)	(53,686)	(62,758)	(65,472)	(67,958)
Airport	76,405	100,445	131,611	132,067	132,176	137,673	133,209	132,781	141,884	142,537
Water Services										
Urban Water supply	2,110,445	2,300,724	2,524,320	2,580,099	2,641,177	2,769,430	2,884,484	2,838,973	2,825,844	2,902,766
Rural Water supplies & races	57,370	57,572	61,215	62,747	64,276	66,657	68,315	69,761	72,047	73,483
Waste Services										
Urban Sewerage system	2,343,265	3,323,013	4,916,881	5,261,349	5,541,237	5,715,950	5,849,579	5,961,071	6,099,640	6,222,589
Rural Sewerage systems	99,801	1,740,387	1,362,056	533,693	555,357	578,202	495,671	497,618	510,760	522,539
Stormwater	309,518	315,640	359,195	383,280	392,353	401,825	421,345	424,978	453,283	482,807
Solid Waste Management	1,079,371	1,331,898	1,344,966	1,385,279	1,418,008	1,444,996	1,487,705	1,533,405	1,572,992	1,607,570
Community Facilities										
Parks, Reserves & Sportsfields	1,562,757	1,673,273	1,773,760	1,882,357	2,008,434	2,046,397	2,127,967	2,157,140	2,218,860	2,298,798
Genesis Energy Recreation Centre	997,994	1,045,077	1,083,520	1,117,528	1,142,339	1,168,349	1,247,807	1,291,959	1,323,237	1,381,605
Cemeteries	64,206	64,965	67,140	69,249	69,269	71,008	74,068	74,930	78,573	80,317
District Building	248,860	268,931	273,644	297,391	304,381	306,098	324,633	327,674	329,723	344,087
Housing for Elderly	139	161	50	5,485	7,793	7,738	9,543	11,089	11,825	24,820
Other Property	435,831	527,351	579,626	602,793	599,841	604,764	608,629	623,285	641,520	668,860
Community Services										
Library & Archive	1,308,836	1,334,672	1,362,546	1,408,350	1,440,490	1,475,409	1,517,631	1,538,949	1,566,441	1,603,538
Community Development	372,815	419,681	414,572	421,426	408,469	416,000	423,671	431,186	438,745	446,269
Arts & Culture	307,026	320,689	322,187	323,511	324,911	326,400	327,923	329,391	330,868	332,347
Economic Development & Promotion	543,630	520,273	588,802	591,354	560,240	573,585	587,182	595,491	598,870	607,196
Planning & Regulatory Services										
Resource Management & Planning	484,373	529,827	563,569	570,638	573,257	577,434	582,638	585,264	587,987	591,285
Environmental Health	243,872	240,432	247,343	275,095	259,574	267,535	299,956	283,383	290,363	323,037
Building Control	24,519	83,964	172,509	76,955	34,852	12,539	39,200	14,272	39,898	14,378
By Law Control/General Inspection	43,568	63,940	77,488	81,276	85,577	90,722	96,469	102,003	107,922	114,284
Rural Fire	170,428	184,100	193,511	193,997	203,346	204,216	214,423	214,934	225,093	225,436
Dog Control	8,940	11,071	11,540	11,607	11,797	12,624	13,901	14,032	14,199	14,633
Emergency Management	151,751	159,834	164,272	168,298	172,436	177,277	182,465	186,975	191,521	196,214
Governance										
Representation	481,772	498,660	508,853	521,767	535,416	549,935	564,779	579,087	593,493	607,904
Internal Functions (net)	(31,509)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)
Total Rates Requirement	\$ 17,460,687	\$ 22,258,651	\$ 24,425,470	\$ 24,469,536	\$ 25,154,951	\$ 25,878,070	\$ 26,533,002	\$ 26,866,862	\$ 27,443,071	\$ 28,407,029
RATES INCOME										
MDC Rates Income	17,460,687	22,258,651	24,425,470	24,469,536	25,154,951	25,878,070	26,533,002	26,866,862	27,443,071	28,407,029
less rural sewerage capital rates	-	(1,628,640)	(1,212,489)	(257,387)	(257,387)	(257,387)	(163,093)	(163,093)	(163,093)	(163,093)
% Change (pre growth, from prior year)	8.9%	20.630,011	23,212,982	24,212,149	24,897,565	25,620,683	26,369,909	26,703,769	27,279,978	28,243,935
% Change (after growth, from prior year)	7.5%	10.4%	11.5%	3.3%	2.8%	2.9%	2.9%	1.3%	2.2%	3.5%
Penalty Income	(85,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Rates Remissions	60,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Discounts Given	25,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Net Rates Income (includes rates on Council properties)	\$ 17,460,687	\$ 20,630,011	\$ 23,212,982	\$ 24,212,149	\$ 24,897,565	\$ 25,620,683	\$ 26,369,909	\$ 26,703,769	\$ 27,279,978	\$ 28,243,935

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Cost of Services Statement Summary - Waste Services

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Costs (note 1)										
Wastewater - urban	3,124,265	3,903,853	5,432,254	5,710,714	5,789,389	5,860,325	5,849,468	5,830,790	5,911,846	5,896,265
Wastewater - rural	149,577	286,367	500,101	433,936	409,462	407,426	383,473	362,168	349,594	322,958
Stormwater	509,518	498,242	529,119	528,950	528,330	545,399	544,741	543,203	561,717	560,296
Solid Waste Management	3,403,795	3,727,805	3,800,323	3,884,414	3,969,942	4,060,521	4,160,846	4,253,510	4,349,620	4,439,273
	7,187,155	8,416,267	10,261,797	10,558,013	10,697,123	10,873,671	10,938,528	10,989,671	11,172,777	11,218,793
Operating Income										
Wastewater - urban	338,000	350,168	359,464	368,420	377,310	386,874	396,576	406,276	416,011	425,644
Wastewater - rural	4,650	4,817	189,785	206,652	145,631	155,595	166,247	177,635	189,814	202,832
Stormwater	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	2,308,602	2,391,712	2,455,198	2,516,376	2,577,092	2,642,426	2,708,684	2,774,940	2,841,428	2,907,223
	2,651,252	2,746,697	3,004,447	3,091,448	3,100,033	3,184,895	3,271,507	3,358,851	3,447,253	3,535,699
Capital Income										
Wastewater - rural	425,000	2,248,891	-	-	-	-	-	-	-	-
	425,000	2,248,891	-	-	-	-	-	-	-	-
less Non-cash expenditure plus Transfers to Reserves										
Capital Expenditure	787,134	659,385	863,135	853,135	733,135	713,135	633,135	533,135	583,135	543,135
Wastewater - urban	3,575,000	20,534,800	5,184,270	2,016,500	2,009,340	1,127,431	1,143,968	1,183,970	1,415,420	1,133,370
Wastewater - rural	1,050,000	7,164,107	-	-	-	-	14,080	-	-	-
Stormwater	200,000	725,200	106,350	109,000	55,815	57,230	58,665	60,100	61,540	62,965
Solid Waste Management	1,850,000	207,200	31,905	76,300	267,912	274,704	129,063	120,200	49,232	-
Loan Repayments	501,781	621,236	1,963,883	1,315,172	1,408,001	1,505,332	1,560,414	1,659,387	1,834,286	2,015,546
	7,176,781	29,252,543	7,286,408	3,516,972	3,741,068	2,964,697	2,906,189	3,023,657	3,360,478	3,211,881
Total Funding Required	10,500,550	32,013,837	13,680,622	10,130,402	10,605,022	9,940,338	9,940,075	10,121,341	10,502,867	10,351,840
Funded by:										
Rates	3,830,550	6,710,937	7,983,097	7,563,602	7,906,955	8,140,973	8,254,300	8,417,071	8,636,675	8,815,505
Transfers from Reserves	2,990,000	1,502,280	1,287,700	1,404,800	1,588,727	1,547,553	1,568,445	1,584,070	1,866,192	1,536,335
New Loans	3,680,000	23,800,619	4,409,825	1,162,000	1,109,340	251,812	117,330	120,200	-	-
	10,500,550	32,013,837	13,680,622	10,130,402	10,605,022	9,940,338	9,940,075	10,121,341	10,502,867	10,351,840
Variance	-	-	-	-	-	-	-	-	-	-
Note 1										
Total Operating Expenditure	7,187,155	8,416,267	10,261,797	10,558,013	10,697,123	10,873,671	10,938,528	10,989,671	11,172,777	11,218,793
less Internal Expenditure	1,408,432	1,432,122	1,477,319	1,495,804	1,516,514	1,539,097	1,564,610	1,586,761	1,608,106	1,628,652
Total Operating Expenditure per Income Statement	5,778,723	6,984,146	8,784,478	9,062,209	9,180,609	9,334,575	9,373,919	9,402,910	9,564,671	9,590,142
per Income Statement	5,778,723	6,984,146	8,784,478	9,062,209	9,180,609	9,334,575	9,373,919	9,402,910	9,564,671	9,590,142
Variance	-	-	-	-	-	-	-	-	-	-

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Funding Impact Statement 2009-19 LTCCP as Amended

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue & Financing Mechanisms										
General Rates										
Land Value (Rooding) Rate	3,621,764	3,820,252	4,051,525	4,221,012	4,356,218	4,472,682	4,606,149	4,705,591	4,806,618	5,039,816
Capital Value Rates	4,570,409	4,955,348	5,232,098	5,348,332	5,377,495	5,490,787	5,653,118	5,705,115	5,845,890	6,047,562
Targeted Rates										
Capital Value Rates	3,996,550	4,745,904	5,824,009	6,158,698	6,475,905	6,693,811	6,903,031	6,966,448	7,095,788	7,280,247
Uniform Annual Charges	4,417,969	4,649,855	4,761,895	4,893,741	4,972,568	5,099,080	5,238,737	5,330,521	5,471,798	5,723,595
Uniform Annual Services Charges	1,916,580	2,355,994	3,081,014	3,303,560	3,472,696	3,609,554	3,717,021	3,737,694	3,797,687	3,882,029
Capital Contribution Rate (Riversdale sewerage)	-	2,122,407	1,028,444	333,333	302,222	333,333	281,778	312,889	345,778	383,111
Other Operating Revenue	6,821,252	6,933,159	6,963,615	6,659,300	7,311,916	7,020,369	7,282,660	7,597,463	8,010,626	8,236,000
Development Contributions	370,500	383,838	634,903	703,528	654,499	677,360	701,098	725,567	750,875	776,886
Rooding Subsidies	4,374,817	4,291,318	4,405,246	4,514,997	4,656,884	4,911,870	4,801,097	5,006,404	5,036,378	5,596,594
Loans Raised	4,612,000	27,194,360	5,526,500	2,103,260	1,109,340	515,070	117,330	120,200	-	-
Reduction in Investments	3,641,399	1,284,951	-	-	-	-	-	-	-	-
	38,343,241	62,737,385	41,509,250	38,239,760	38,689,744	38,823,916	39,302,018	40,207,893	41,161,437	42,965,840
Use of Funds										
Operating Expenditure	21,547,039	22,738,929	24,188,194	25,183,094	25,397,403	25,851,719	26,115,296	26,468,735	26,896,624	27,361,173
Capital Expenditure	16,154,750	37,782,036	13,710,403	10,596,599	9,926,865	8,785,892	9,104,632	8,669,605	8,809,266	9,597,692
Debt Repayment	641,452	2,216,420	2,115,129	1,474,544	1,552,887	1,720,581	1,807,940	1,712,769	1,782,524	1,961,228
Increase in Investments	-	-	1,495,525	985,523	1,812,589	2,465,723	2,274,150	3,356,784	3,673,023	4,045,747
	38,343,241	62,737,385	41,509,250	38,239,760	38,689,743	38,823,916	39,302,018	40,207,893	41,161,438	42,965,840
Variance	(0)	(0)	0	(0)	1	(0)	(0)	(0)	(0)	0
Change in Investments										
Reduction in Investments	-	(1,974,499)	-	-	-	-	-	-	-	-
Increase in Investments	1,355,032	8,000	2,233,061	1,153,260	1,716,965	2,425,273	2,061,768	3,350,989	3,461,446	3,963,252
Net Increase/(Decrease) in cash held	(4,996,431)	681,548	(737,536)	(167,737)	95,624	40,450	212,362	5,795	211,577	82,495
Change in Investments	(3,641,399)	(1,284,951)	1,495,525	985,523	1,812,589	2,465,723	2,274,150	3,356,784	3,673,023	4,045,747

Note: the rates values above include rates on Council properties and exclude GST. The rates figures in the Funding Impact Statement in Volume 3's Revenue & Financing Policy include GST.

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Capital Expenditure Summary - Priority 1 Projects (inflated)										
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Roading	5,855,000	4,867,646	4,998,769	5,531,205	5,412,827	5,404,458	5,966,348	5,803,136	5,809,499	6,605,910
Airport	175,000	393,680	0	0	128,375	0	0	96,160	0	0
Parking Control	300,000	51,800	53,175	54,500	0	0	0	0	0	0
Urban Sewerage	5,075,000	21,363,600	6,035,070	2,888,500	2,902,380	1,585,271	1,613,288	1,664,770	1,907,740	1,637,090
Rural Sewerage	1,100,000	7,164,107	0	0	0	0	14,080	0	0	0
Solid Waste	1,850,000	207,200	31,905	76,300	267,912	274,704	129,063	120,200	49,232	0
Stormwater Services	200,000	725,200	106,350	109,000	55,815	57,230	58,665	60,100	61,540	62,965
Urban Water Supply	805,000	2,056,460	1,116,675	790,250	770,247	789,774	909,308	721,200	738,480	755,580
Rural water supplies	15,000	98,420	15,953	16,350	16,745	17,169	17,600	18,030	18,462	18,890
Parks & Reserves	729,900	439,264	572,163	506,850	357,216	326,211	244,046	72,120	86,156	346,308
Sportsfields	56,000	0	0	54,500	334,890	0	35,199	0	98,464	37,779
GE Rec Centre	120,750	16,317	43,338	17,168	17,582	18,027	47,812	18,932	23,078	19,834
Cemeteries	40,000	10,360	15,953	10,900	0	0	0	0	0	0
District Building	339,800	88,060	102,096	944,376	21,210	101,297	55,145	32,454	26,462	18,890
Housing for the Elderly	86,000	96,866	86,144	84,475	64,745	35,483	49,279	37,262	38,155	39,038
Other Property	375,000	635,068	61,683	62,130	73,676	113,315	57,492	131,018	60,309	61,706
Library	226,300	209,272	1,129,437	176,580	180,841	234,643	190,075	194,724	199,390	258,157
Regulatory	126,000	104,636	107,414	142,790	112,746	115,605	141,969	121,402	124,311	127,189
Corporate	230,000	82,880	85,080	87,200	167,445	206,028	93,864	96,160	98,464	151,116
	17,704,750	38,610,836	14,561,203	11,553,074	10,884,651	9,279,215	9,623,231	9,187,667	9,339,741	10,140,450

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CAPITAL EXPENDITURE ITEMS

(All projects included in the financial model, figures inflation adjusted)

Priority 1

Activity	Project/capital item	Comments	Source of Funds	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Urban Sewerage	Hydraulic/groundwater modeling	Option to defer	Deprn funds			74,445	54,500	0	0	0	0	0	0
	Sewer reticulation renewals (pipes, manholes, lower laterals)		Deprn funds & loans	2,500,000	1,864,800	1,914,300	1,962,000	2,009,340	1,030,140	1,055,970	1,081,800	1,107,720	1,133,370
	Sewer reticulation renewals - Private Laterals	90-95% recovery, not included in MDC LTCCP Capex	Private property contributions	1,500,000	828,800	850,800	872,000	893,040	457,840	469,320	480,800	492,320	503,720
	Pumping station renewals	Renewal Programme	Deprn funds	0	0	0	0	0	0	87,998	0	0	0
	Homebush resource consent hearing & appeals		Loan	200,000	0	0	0	0	0	0	0	0	0
	Homebush design & tendering		Loan	700,000	0	0	0	0	0	0	0	0	0
	Homebush ponds construction		Loan		8,770,000	3,195,525	0	0	0	0	0	0	0
	Homebush irrigation bunds, desludge old ponds		Loan		4,350,000								
	Homebush civil works		Loan		2,060,000								
	Homebush mechanical works		Loan		3,490,000								
Homebush aeration & screen renewals	renewal of equipment	Deprn funds	175,000	0	0	0	0	0	97,291	0	102,170	307,700	0
Castlepoint Sewerage	Castlepoint plant renewals	Response to growth		5,075,000	21,363,600	6,035,070	2,888,500	2,902,380	1,585,271	1,613,288	1,664,770	1,907,740	1,637,090
Tinui Sewerage	Tinui reticulation renewals	repair infiltration in pipes & laterals	Deprn funds		82,880	0	0	0	0	0	0	0	0
Riversdale Sewerage	Riversdale sewerage scheme		General capital & residents	100,000	0	0	0	0	0	14,080	0	0	0
		Capital contrib., subsidy, reserves, loan, targeted rates		1,000,000	7,081,227	0	0	0	0	0	0	0	0
				1,100,000	7,164,107	0	0	0	0	14,080	0	0	0

Revenue and Financing Policy

2009-19 LTCCP Vol.3, page 20 replacement

The following table shows the changes proposed to the Council's Revenue and Financing Policy. For details of the full policy please refer to pages 1 to 23 of the 2009/19 LTCCP document.

The changes to the wording in the current policy are highlighted in bold print.

Activity	Funding Policy Decision	Funding Source
<p>Rural Sewerage</p>	<p><u>Current Policy Statement</u> There are three separate rural sewerage schemes. Each has its own cost structures and each is expected to be fully funded by the connected properties.</p> <p>Riverside Beach sewerage scheme has not yet been built, but the Council has incurred costs in the development phase and has been charging a rate to recover a contribution toward interest costs, from the potentially connectable properties.</p> <p>Tinui septic tank system has been upgraded and the costs of the upgraded service will be met by the users/connected properties.</p> <p>The funding of renewals at Castlepoint is from depreciation reserves. Operating costs are fully met from a targeted uniform charge on all connected properties.</p>	<p><u>Current Policy Statement (Riversdale Sewerage)</u></p> <p>Riversdale Sewerage Targeted rate will be a flat charge on each potentially connectable property in the proposed serviced area. The rate will recover a portion of the operating costs (debt servicing costs) expected to be incurred in 2009/10. The capital funding of the Riversdale beach scheme is expected to be from a combination of a government subsidy, Council reserves (\$575k), developer contributions and community/property owner capital contributions.</p> <p>A Tinui sewerage rate will be charged to cover the operating and maintenance costs of the new outflow arrangement. A further capital contribution rate will be charged to recover the capital contributions from properties which chose to pay off the upgrade over time. Further upgrading of the scheme's pipes will be from general capital reserves while private property owners will be expected to fund work on their private sewers (where infiltration is identified as being an issue).</p>

	<p><u>Revised Policy Statement</u> No change to current policy statement</p>	<p><u>Revised Policy Statement (Riversdale)</u> Riversdale Sewerage targeted rates for operations will be two targeted charges, one applied to all connectable properties in the proposed serviced area and designed to cover the fixed costs of the scheme. The second targeted charge will be levied based on residential equivalents and will recover the variable operating costs of the scheme when it is operational (expected to be 2010/11).</p> <p>The capital funding of the Riversdale beach scheme is expected to be from a combination of a government subsidy, Council reserves (\$550,000), developer contributions, community/property owner capital contributions and targeted rates.</p> <p>Four options will be offered to enable property owners to pay their capital contributions. Option 1 is a lump sum contribution of 95% of the estimated sum payable. Options 2, 3 & 4 are targeted rates spread over 2, 5 and 20 years, based on residential equivalents and including a financing cost.</p> <p>A further \$25,000 from Council reserves has been allocated to fund an early payment discount. Assumptions have been made regarding the revenue streams from the different payment options in order to estimate the loan funding requirements.</p> <p>No change to current Tinui policy</p>
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Funding Impact Statement

2009-19 LTCCP Vol.3, page 26 replacement

Funding Impact Statement 2009-12 (LTCCP Amendment)

(All figures include GST)

\$000's

2009/10 LTCCP

Amount to be Collected by Ward

Total

Total

2010/11 Year 2

Amount to be Collected by Ward

Total

2011/12 Year 3

Amount to be Collected by Ward

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Funding Impact Statement

2009-19 LTCCP Vol.3, Page 34 replacement

Section 9.5

(all figures include GST at 12.5%)

9.5 The Council proposes to set targeted rates for the **Riversdale Sewerage Scheme** on the basis of potentially connectable properties (the scheme is still in design stage) **and when the scheme is operational, an additional targeted rate on the basis of connection to the scheme, charged per assessed residential equivalent.**

The uniform charge per potential connection for 2009/10 is: \$190.30 raising a total of \$54,450

The Council also proposes to collect capital contributions from property owners by way of a lump sum contribution or targeted rates from 2010/11. Property owners have the option to choose one of four payment methods

Assessed capital contribution per residential equivalent (RE) = \$16,750. This can be paid by:

- 95% lump sum payment in August 2010 of \$15,900, with a balancing payment (if needed) in 2011/12
- Targeted Rates options to pay this contribution will be:
 - Over 2 years, 60% in 2010/11 = \$10,050, the balance in 2011/12
 - Over 5 years (including a financing component) = \$4,080 pa
 - Over 20 years (including a financing component) = \$1,650 pa
- Capital contribution for empty sections and new lots in subdivisions = \$23,000 per RE (escalating annually)

Treasury Management Policy

The following pages contain approved changes to the Council's Treasury Management Policy. For details of the full policy please refer to pages 64 to 101 of **Volume 3 of the 2009/19 LTCCP** document.

The changes related to a change to one of the borrowing limits and updated wording in the Council's Delegated Authorities, which is Appendix VI of the Policy.

Page 70

3.2 Borrowing Limits

Previous policy

Net External Debt not to exceed	135% of Total Operating Revenues
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Approved Amendment

Net External Debt not to exceed	150% of Total Operating Revenues
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Page 100

Appendix VI

The delegations listed below replace all of Appendix VI in the 2009-19 LTCCP Vol. 3. These revised Delegations were adopted by the Council on **3rd March 2010 and confirmed on 30 June 2010..**

F. Financial Delegations

- (1) Subject to F(2) and F(4), that the Chief Executive Officer be authorised to implement any proposal or matter contained within an adopted LTCCP, or annual plan of the Council.
- (2) Subject to F(4), that authority to enter contracts for the supply of goods or services on behalf of the Council be delegated to all committees to the value of \$1,000,000 and to the Chief Executive Officer to the value of \$200,000.
- (3) That the Chief Executive Officer may sub-delegate the authority to enter into contracts to each of the Manager Assets and Operations, the Manager Finance, the Manager Community Services and the Manager Policy to a maximum of \$100,000, to business unit and asset managers to a maximum of \$50,000 and to other officers to a maximum of \$10,000.
- (4) That the authority provided by F(1) and F(2) or sub-delegated under F(3) is subject to the following conditions:
 - that the proposal or matter is contained within an adopted LTCCP, annual plan or resolution of Council;
 - where applicable, that there has been compliance with the Council's Procurement Policy requirements;
 - in relation to acceptance of any tender, that either the lowest cost offer is accepted (as assessed under the terms of the Council's Procurement Policy) or authority is obtained to accept a higher tender in accordance with F(6);
 - that nothing in F(1) or F(2) authorises an officer to exercise any responsibility, duty or power contained in Clause 32(a) to (f) of Schedule 7 of the Local Government Act 2002.
- (5) For the purpose of F(2) and F(3), that the value of any continuing contract is measured as the maximum potential liability of the Council under the contract in any calendar year (and where that liability may vary from year to year, as the largest liability of any calendar year during the term of the contract).

- (6) For the purposes of F(4), that any officer may accept a tender other than the lowest tender where authorised by that officer's immediate superior or the Chief Executive Officer and, in the case of the Chief Executive Officer, by the Chairperson of the relevant Committee.
- (7) That contracts let by the Chief Executive Officer, Manager Assets & Operations, Manager Finance, Manager Community Services and Manager Policy for more than half the authorised value for that officer as set out in F(2) or F(3) be reported back to Council.
- (8) That the Chief Executive Officer, Manager Assets & Operations, Manager Finance, Manager Community Services and Manager Policy be authorised to vary any particular budgetary item contained in the annual plan (subject to the total departmental budget remaining unaltered within the overall budget) by \$20,000 or 5%, whichever is greater, with exceptions beyond this limit being reported.
- (9) That the Chief Executive Officer, Manager Assets & Operations, Manager Finance, Manager Community Services and Manager Policy be authorised to approve for payment any account which may be more than the value specified above, but are contract payments (where the total contract amount has been previously approved), statutory payments (eg GST), or agency payments (eg Greater Wellington Regional Council rates).

(10) Fees and Charges

That, subject to any Act, Regulation or Bylaw to the contrary and the Treasury Management Policy contained in the LTCCP, the Chief Executive Officer be authorised to determine fees and charges for any of the Council's facilities and services and further, that the Chief Executive Officer may, at his discretion, vary any of the fees and charges on reasonable grounds determined by him. The relevant parts of the Treasury Management Policy are attached as Appendix B.

(11) Debts

That the Chief Executive Officer be authorised to write-off such bad debts as he considers appropriate, subject to all reasonable steps having been taken to obtain recovery. The CEO to report to Council any write-offs of rates debts over the value of \$3,000 for any one ratepayer and sundry debtor accounts over the value of \$1,000.

(12) Rates

That the Chief Executive Officer be authorised under section 132 of the Local Government (Rating) Act 2002 to undertake the functions of the Council under that Act, including implementing the rates remission and other policies contained in the LTCCP dealing with rates collection, rates eligibility and relief from paying rates.

- (13) That the Chief Executive Officer be authorised to sub-delegate any of the authorities in (11) and (12) above to the Manager Finance.

G. Financial Management

- (1) That the Chief Executive Officer be authorised to open and operate such accounts with the Council's selected banker as are necessary for the conduct of the business of the Council.
- (2) That the Chief Executive Officer shall keep under review the services provided by the selected banker, and be authorised to open and operate accounts with, and accept banking services from, other registered banks from time to time.
- (3) That the Chief Executive Officer be authorised to invest funds for the Council's account according to the investment policies, strategies, limits and security requirements as stated in the Council's Treasury Management Policy.
- (4) That the Chief Executive Officer monitor the circumstances of approved institutions and report should they be, or appear likely to become, such as to require their name to be on a list excluded from use for investment purposes.
- (5) That the Chief Executive Officer be authorised to sub-delegate any of the authorities G(1) to (4) to the Manager Finance.

1. Approved Counterparties / Issuers, Instruments, and Limits

The following limits refer to funds invested directly by Council staff. Any funds allocated to an external funds manager are subject to the investment guidelines issued to the funds manager and detailed in the Treasury Management Policy.

Issuers	Instruments	Limits (NZ dollar)
<i>Risk-Free</i> Government guaranteed	Treasury bills Government Stock	Unlimited
<i>Near Risk-Free</i> NZD Supranationals	AAA rated Bonds	Not more than \$10m
Local authorities and other institutions with the ability to levy rates or taxes	Local authority stock/bonds/ debentures/commercial paper	Not more than \$1.5m per issuer Not more than 20% of portfolio in local authority risk
<i>Low Risk</i> Major banks registered with the Reserve Bank, and others as long as they have: - a short term credit rating of at least A-1 or better, and/or - a long term rating of at least A- or better as determined by Standards and Poors. - BBB/A-2 rated commercial paper or bonds (within limits)	Money market call deposits Money market term deposits Registered certificates of deposits Bonds (floating & fixed rate) Bank bills Commercial paper (corporates & SOEs)	Up to \$3.0m with one registered bank, with the exception of the Council's banker * which may from time to time exceed this limit for up to five working days. No more than 35% of portfolio in corporate bonds. No more than \$0.15m with any single issuer with BBB or BBB+ credit rating. No more than 5% of the value of the portfolio in bond issues with BBB or BBB+ credit ratings.
- Wholly owned finance companies or subsidiary of a registered bank, including Wairarapa Building Society	Short term deposits	Up to \$1.5m at any one time

Note:

* Limit for Council's principal banker excludes balances in current and call accounts used for cash management purposes.

2. Approved Risk Management Counterparties

Counterparties	Limits (Notional Principal Amounts)
Major banks registered with the Reserve Bank, and other issuers as long as they have: - a short term credit rating of at least A-1 or better, and/or - a long term rating of at least A- or better as determined by Standards and Poors.	Up to \$NZ10m for interest rate products

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Report to the readers of Masterton District Council's Proposed Amendment to the Long-Term Council Community Plan Statement of Proposal for public consultation for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Masterton District Council (the District Council). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to report on the Statement of Proposal for adoption of the proposed amendment to the Long Term Council Community Plan (the Statement of Proposal), on her behalf.

The Masterton District Council (the District Council) adopted its Long Term Council Community Plan (LTCCP) for the ten years commencing 1 July 2009 on 30 June 2009.

We expressed an unqualified opinion on the District Council's LTCCP for the ten years commencing 1 July 2009 in our audit report dated 30 June 2009.

We considered that the LTCCP provided a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

The District Council is now proposing to amend its LTCCP for the ten years commencing 1 July 2009 to include four options for the payment of targeted rates for the Riversdale waste water scheme, an updated cost and expenditure profile for the 'Homebush' waste water scheme, and changes to the Liability Policy and Council Delegations limits. The Statement of Proposal provides information about the proposed amendment to the District Council's LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the Statement of Proposal.

Overall Opinion

In our opinion, the information within the Statement of Proposal dated 8 April 2010 about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed, is fairly presented and the District Council has complied with the applicable requirements of the Act in preparing the Statement of Proposal.

In forming our overall opinion, we considered the specific matters outlined in section 84(4) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In terms of our obligation to report on the matters required by the Act, as it applies to the proposed amendment to the LTCCP, in our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information and assumptions used to prepare the Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information;
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 8 April 2010 and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that will be required if it is amended in the manner proposed, does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing, where and as it applies to the proposed amendment to the LTCCP, whether:

- the Statement of Proposal provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies, is financially prudent and has been clearly communicated to the community in the Statement of Proposal;
- the presentation of the Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;

- the information in the Statement of Proposal is based on materially complete and reliable asset or activity management plans;
- the agreed levels of service are fairly reflected throughout the Statement of Proposal;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the Statement of Proposal.

We do not guarantee complete accuracy of the information in the Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the Statement of Proposal and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The District Council is responsible for preparing a LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the Statement of Proposal and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

Independence

When reporting on the Statement of Proposal we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than this report, and in conducting the audit of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

CAPITAL PROJECT FUNDING PLAN

Riversdale Beach Community Sewerage Scheme 2009-19 LTCCP Vol.2 Appendix 4 (new)

Introduction

The Council has been working with the Riversdale Beach community for a number of years with the objective of providing a reticulated sewerage scheme for Riversdale Beach.

A number of different scheme options have been considered. Extensive consultation has taken place, including the use of a steering group with ratepayer representation, and a number of options for design and funding have been considered. Budgetary provision for the construction of the scheme was included in the 2009-19 Long Term Council Community Plan (LTCCP) and scheduled for 2010/11.

Since the 2009-19 LTCCP was prepared the Council has tendered two alternative reticulation options (gravity and pressure). The two options would have needed differing funding solutions, hence the Council has delayed the preparation of a Capital Project Funding Plan. Now that the Council has accepted a tendered price for the scheme's construction (using gravity reticulation), the certainty around the capital costs has improved significantly and the funding plan can be clearly presented.

The Council has resolved to offer ratepayers connecting to the scheme four different options for payment of the cost of the scheme. The options include a lump sum payment with 95% payable in August 2010, a targeted rate over 2 years (60% in year 1, 40% in year 2), a targeted rate payable over 5 years or a targeted rate payable over 20 years.

Scheme Cost

The scheme is projected to cost \$8.83 million and will be funded by:

Government Subsidy	\$1,920,000
Council Subsidy*	\$ 550,000
Contributions from property owners **	\$6,361,000
Total Scheme Cost	\$8,831,000

(figures exclude GST)

* The council has allowed a further \$25,000 in subsidy to fund the estimated cost of a 2.5% discount for those ratepayers electing to pay the full years rates on the first instalment or the Lump Sum contribution in August 2010.

** See funding options for information on how the contributions from property owners are to be paid.

Cost Allocation Model

A cost allocation model has been developed that allows for 406.3 residential equivalent (RE) connections. These include all existing 'built' properties in the scheme area, including those considered to have sewerage flows greater than 1 RE being included using multipliers (see below) and an allowance made for future connections from empty sections and land with subdivision potential. The model allocates the SWSS subsidy and the Council subsidy and produces a cost of approximately \$16,750 (including GST at 12.5%) per RE for existing built properties that can connect to the scheme when it is commissioned.

The Government subsidy, known as the Sanitary Works Subsidy Scheme (SWSS), has been applied to built/developed properties based on REs. Any area of vacant land or undeveloped sections that apply to be connected in the future will pay a contribution that excludes the benefit of the SWSS subsidy. The allocation model produces a contribution for a vacant section needing one RE connection of \$23,000 (including GST). This cost will increase over time as it will be indexed annually by the Council's cost of funding. The increase is currently estimated to be 7.5% per annum.

Timing

Construction of the scheme is expected to commence this winter (April/May 2010). The scheme is expected to be completed in April 2011 and the final cost is expected to be known in June 2011 (allowing time for scheme commissioning and contract retentions to be paid).

Once final costs are known, the year 2 lump sums or targeted rates will be recalculated based on the final scheme cost.

Funding Options

Ratepayers of existing 'built' properties will be able to connect to the scheme during the 2010/11 financial year and will be given the choice of 4 options to pay their scheme contributions. The costs of any on-site private works are additional to these options.

- **Option 1**
95% of the RE charge, payable as a lump sum in August 2010/11, with the remaining 5% (plus or minus any adjustment based on the final cost of the scheme) to be paid in August 2011/12 once the final scheme costs are known. The lump sum will be invoiced in July 2010 and a 2.5% discount will be allowed if payment is made by the due date of 20th August 2010.
- **Option 2**
The cost can be paid over a two year period. The amount will be charged as part of the property's rates, with 60% of the cost payable in year one (2010/11) and 40% payable in year two (2011/12). The amount payable in year two includes an interest component (at 7.5%) and may increase or decrease based on the final scheme cost once construction is complete. Each year a 2.5% discount can be taken up if all rates are paid by the due date for the first rates instalment.
- **Option 3**
The cost can be paid over 5 years as a targeted rate and paid as rate instalments fall due. The cost will include an interest component as the Council will need to borrow funds until the total cost has been paid at the end of 5 years.

- **Option 4**

The cost can be paid over 20 years as a targeted rate and paid as rate instalments fall due. The cost will include an interest component as the Council will need to borrow funds until the total cost has been paid at the end of 20 years.

There will be the ability for property owners to pay off the balance of their full connection contribution at any time after July 2011 and be liable for no further connection contribution targeted rates.

Those ratepayers who are experiencing financial difficulties paying their connection contribution, whether it is charged as a targeted rate over 2, 5 or 20 years, will be able to apply to have their rates postponed under the Council's rates postponement (for financial hardship) policy.

Connection contributions from empty sections wishing to purchase the right to connect to the scheme, will be payable as a lump sum. Developers wishing to subdivide land will be required, under the Wairarapa Combined District Plan, to pay connection contributions for each new lot created, with the contributions payable as a condition of consent.

Other Cost Allocation Model Information

All 'built' properties in the area defined for the Riverdale Beach Community Sewerage Scheme will be required to connect to the new reticulated sewerage system. There are currently 270 properties in the Riversdale Beach sewerage scheme area, representing 350.3 residential equivalents (RE) and the scheme anticipates that there will be a further 56 REs from future development of vacant land and empty sections. The cost allocation model uses a total of 406.3 current and future RE connections to spread the capital costs of the scheme.

There are 10 properties at Riversdale that have been assessed as having more than one residential equivalent. The Riversdale Beach community has decided that the Surf Lifesaving Club connection should be funded by the whole community, so it is excluded from the funding model. The remaining 9 properties will be charged a total of 90.3 residential equivalents as follows:

Property	Residential Equivalents
Holiday Park*	48
Family Camp*	18
Camp Anderson	9.5
Public Toilets (x 3)	6.3
Golf Club & Beach Store (1.3 equiv each)	2.6
Orui Station	5.9

*The two private camps have 80 and 30 separately occupied sites respectively and each site has been assessed as contributing 0.6 of a RE to the sewerage loading. The 0.6 assessment has been decided by the Council after commissioning a report by MWH consultants and extensive consultation with the range of property owners in the Riversdale Beach community.

- The SWSS subsidy has been allocated over the 350.3 RE connections.
- The Council's subsidy, sourced from its General Capital Reserves, has been allocated over all 406.3 RE potential connections.
- For Option 2, a financing cost will be included in the year 2 sum charged.
- For Options 3 & 4 the calculation of the targeted rate will include an allowance for financing costs at 7.5% per annum.

- The amount payable for each targeted rate will reflect the combination of the share of the capital cost and finance costs calculated based on the term of the targeted rate.
- All rates will be payable over 4 instalments.
- GST has been included in all sums payable using a rate of 12.5%. If the GST rate changes in the future, the sums payable will be recalculated to include GST at the rate applicable.

Developments

It is anticipated that new developments will connect to the sewerage scheme and pay contributions on the basis of their residential equivalent demand on the system.

Single dwellings will pay one contribution, additions to dwellings or developments which can accommodate large numbers will be required to pay scheme contributions based on their gross floor area of habitable rooms converted to person equivalents using the Housing Improvements Regulations 1947 (20M2 = 4 persons).

Less than 20 M2 = less than 4 persons: No contribution
 20 M2 – 37.4 M2 = 4 persons to 7.4 persons: 50% contribution
 37.5 M2 = 7.5 persons: 1 full contribution

Timetable

All ratepayers have been sent a newsletter asking them to select their payment option. Their selections will form the basis of the rates resolution that is adopted by the Council prior to 30th June 2010.

The proposed timetable is as follows:

Newsletter sent to ratepayers advising of tender acceptance and asking to select a payment option	31st March 2010
Closing date for ratepayers to advise of funding option for their property	14th May 2010
Annual Plan and LTCCP amendment finalised	30 June 2010
Targeted rates calculated	June \ July 2010
Invoices sent out for lump sum contributions	July 2010
First instalment of targeted rate payable from	1st August 2010
Date lump sum contributions payable and last date payment can be made to qualify for 2.5% discount	20 August 2010

What if a connecting property does not indicate a preferred funding option?

If no election is made stating the ratepayer's preferred option, that property will be charged the 20 year targeted rate.

In addition to either a lump sum or targeted rate for the connection contribution for the scheme, ratepayers connected and connectable, will be levied targeted rates to fund the operational costs of the scheme.

When will payments need to be made?

Option 1

95% of the lump sum calculated is to be paid by 20 August 2010

The balance of the contribution owing, including any adjustment once the final scheme costs are known, is to be paid by 20 August 2011.

Option 2

Year One (60% payable)	% of total payable	Instalment no.	Due date
	15%	1	1st August 2010
	15%	2	1st November 2010
	15%	3	1st February 2011
	15%	4	1st May 2011
Year Two (40% payable)	10%	1	1st August 2011
	10%	2	1st November 2011
	10%	3	1st February 2012
	10%	4	1st May 2012

NB: Year Two includes any adjustment when final costs are known.

Option 3

Paid over 5 years in quarterly instalments on 1st August, 1st November, 1st February and 1st May each financial year commencing on 1st August 2010 with final payment on 1st May 2016. The rates struck for years 2 to 5 may vary from year 1 once final scheme costs are known.

Option 4

Paid over 20 years in quarterly instalments on 1st August, 1st November, 1st February and 1st May each financial year commencing on 1st August 2010 with final payment on 1st May 2031. The rates struck for years 2 to 20 may vary from year 1 once final scheme costs are known.