

Volume 1 – The Next Ten Years

Amendment note

This is an amended reprint of the 10 Year Plan 2009-2019 in order to incorporate the following change:

- Amendment to Investment Policy, Volume 1, pages 143-148.

Apart from the policy itself there were no consequential amendments to the 10 Year Plan 2009-2019 as a result of the amended Investment Policy.

The 10-Year Plan 2009-2019 was reprinted on 19 July 2010 following adoption of the proposed amendment in conjunction with Council's 2010/11 Annual Plan consultation and adoption.

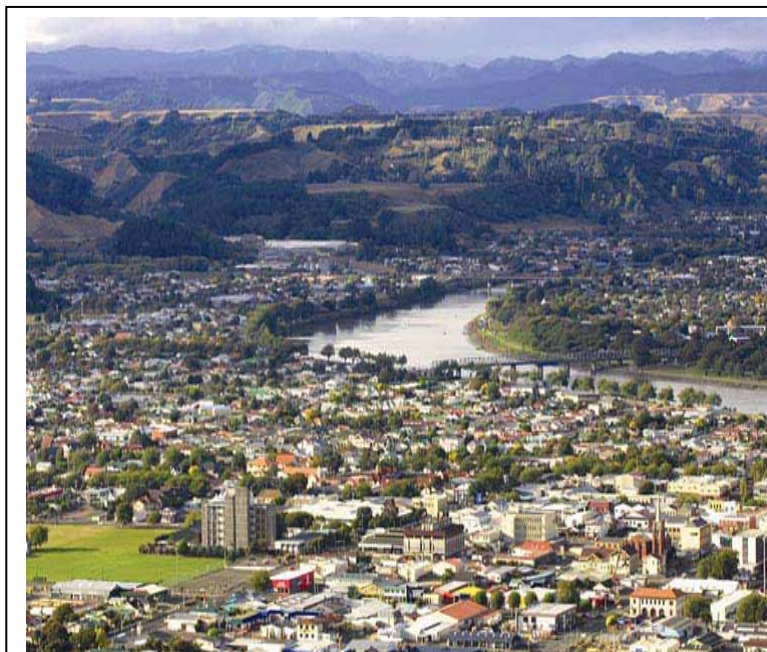
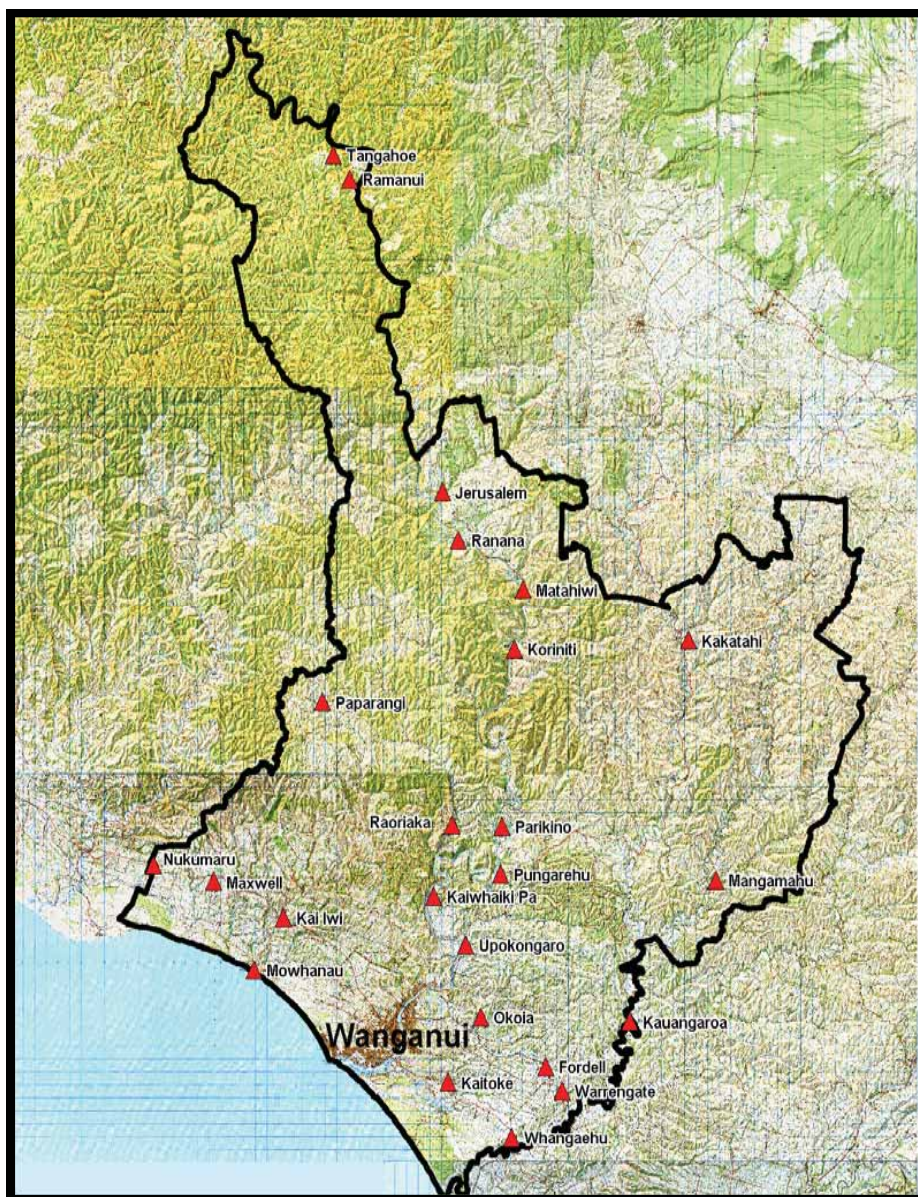
Wanganui District Council

10-Year Plan 2009 - 2019

Volume 1 Overview including Community Outcomes – The Next Ten Years
Detailed Financial Information and Council Policies

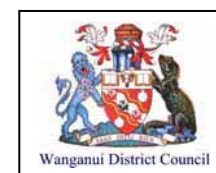
2 Detailed Council Activities





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This plan (comprising two separate volumes as listed on the cover) was formally adopted by the Wanganui District Council on 30 June 2009 as its 10-Year Plan for the 10 year period commencing on 1 July 2009.

Contents

Volume 1

	Page
Introduction	
Message from the Mayor	4
Message from the Chief Executive	6
Audit New Zealand report	7
Executive summary	10
• Introduction	10
• What is the 10-Year Plan?	10
• The planning cycle	10
• What's in the plan?	11
• Community trends and issues	11
• Referendum '09 results	12
• Key decisions	13
• Rates	13
• Promotion and image	13
• Transfer of ownership	14
• Future services	15
• Referendum '08 Events Centre of New Zealand	15
• Policy direction	15
• Other issues	16
• Financial strategy	16
• The Council's set of books for the next 10 years	18
• Prospective cost of service statement	19
• Council activities and tradeoffs	20
• Excluded/deferred projects	21
• Conclusion	24
Community Outcomes	25
Wanganui today – statistical information	42
Wanganui's future – Family-friendly Wanganui	47
General information	
Council controlled organisations	49
Governance structure	53
Management structure	54
Contributions to decision-making by Maori	55
Water and Sanitary Assessment	56
Waste Management Plan summary	65

	Page
Fees and charges	67
Prospective financial information	73
Assumptions	74
Prospective cost of service statement	83
Rates, expenditure and debt summary graphs	84
Capital expenditure – acquisitions	85
Capital expenditure – replacements	89
Funding impact statement	96
Funding impact statement – rates information	98
Prospective statement of comprehensive income	107
Prospective statement of financial position	108
Prospective statement of cash flows	109
Prospective statement of changes in equity	110
Schedule of financial statistics	111
Policies	114
Statement of accounting policies	115
Public private partnerships policy	124
Policy for remission of rates on Maori freehold land	126
Policy on remission of rates	128
Policy for postponement of rates on Maori freehold land	132
Policy for postponement of rates	133
Revenue and financing policy	135
Policy on determining significance	139
Investment policy	143
Liability management policy	149
Development contributions policy	153
Earthquake-prone buildings policy	168
Dangerous and insanitary buildings policy	172
Contact us	176
Properties for potential divestment	177
Who benefits	180
Detailed index	193
Glossary	195

Message from the Mayor

The history of Wanganui over the past 40 years is the history of a city and a district caught on the wrong side of economic fate.

Our population has not appreciably grown since the mid-1960s, while many central government policies – including ‘Rogernomics’ and the centralisation of government departments – have worked against Wanganui’s better interests.

Civic leaders of the past 40 years sought to make a virtue of necessity and possessed an ambivalent view about growth. They praised Wanganui for its quieter pace and gentler ways. That underlying conservatism accentuated the sidelining of the city – with both New Plymouth and Palmerston North assuming a regional paramountcy.

This current Council is determined to reverse Wanganui’s population decline, and re-establish the city and district to national prominence.

To that end, it has adopted a family-friendly strategy, instituted a ground-breaking Council-community partnership and created new amenities and facilities. We have determined that the best way to attract both new people and new enterprises to Wanganui is to deliver an enhanced and affordable quality of life.

To that end, we are delighted to present this finalised 10-Year Plan 2009-2019 – a judicious combination of rates restraint, innovative policy and new projects.

The highlights of the 10-Year Plan are as follows:

- The successful discovery and delivery of “soft water” to Wanganui urban residents
- A new \$180,000 promotional budget aimed at creating an enhanced image of Wanganui on the national and international stages
- The funding of an enhanced southern entranceway to give visitors a better first impression of Wanganui
- The funding of a new entranceway into Wanganui from the airport – to be called Chas Poynter Drive in honour of the previous long-serving Mayor

- Continued rates restraint – meaning that for the fifth year in a row, Wanganui rates increases have been much less than the rest of local government – and under the average rate of inflation
- Debt levels peaking at \$90 million and then declining dramatically
- The confirmed retention of Wanganui Gas and its trading arm Energy Direct, our forestry assets and council-owned pensioner housing

Overall this is a great plan and reflects not only the desires of the Wanganui community, but also our challenging economic times. It is also a clear articulation of this Council’s continued commitment to a family-friendly Wanganui. As a result, the 10-Year Plan 2009-2019 seeks to capitalise on this positive, forward-thinking approach, while also providing the funding and planning needed for the infrastructure and services that this community expects and deserves.

The plan does not, however, gloss over the extraordinary financial, economic and political background against which it is prepared. It recognises that the economy is currently in recession, international financial markets are in turmoil, and both Treasury and bank projections forecast rapidly rising unemployment. All of these macro-economic and geo-political issues will have their negative impact upon Wanganui and our local economy.

Looking back over the past five years

The *Local Government Act 2002* obliges our Council to publish a detailed outline of its expected spending, policy priorities, asset management plans, finances, and rates demands for a 10 year period. This is known as the Long-Term Council Community Plan (or 10-Year Plan).

It is a legal requirement, overseen by Audit New Zealand, and is actually conducted every three years. In 2003 and 2006, the Wanganui District Council conducted similar exercises.

Since the 2006 exercise, Council has created a number of new policy imperatives and district amenities. Briefly, they are:

- the construction of the Splash Centre extension (opened April 2008)

Message from the Mayor

- the upgrading of Wanganui Airport (opened November 2007)
- the construction of the riverfront walkway (opened September 2007)
- the construction of the Upokongaro Jetty (opened September 2007)
- the construction of the wastewater treatment plant (opened August 2007)
- the successful search for “soft water” and the commissioning of Abelard & Heloise bores (to be commissioned 1 July 2009)
- the ongoing upgrading of the Council’s urban footpaths
- the resourcing of anti-litter and anti-graffiti teams
- the resourcing of additional city security to combat anti-social activity
- the drafting and promotion of anti-gang parliamentary legislation

The average Wanganui District Council rates increase over the past five years has been 2.4%. This is considerably below the rate of inflation and the lowest of any city, district or regional council in New Zealand.

Average rates increase by Wanganui District Council by year

Year	Rates	Inflation
2005/06	0%	2.8%
2006/07	3.0%	4.0%
2007/08	1.8%	2.0%
2008/09	4.7%	4.0%
2009/10	3.2%	3.0% (est.)
Total average increase over 5 years	2.5%	3.2%

Looking forward

Council, together with its community, has successfully made the important decisions necessary to deliver an enhanced and affordable quality of life over the next 10 years. These decisions have remained true to the community’s ability to pay, its vision for the future and the infrastructural and capital project spend necessary to progress Council’s ‘family friendly’ strategy.

Referendum '09 was critical to this process and saw Wanganui yet again lead the way as the first local authority in New Zealand to consult on our rates in this way. I thank you for taking the opportunity to have a direct say on the key issues affecting Wanganui over the next 10 years and for shaping a great future for Wanganui.



Michael Laws
Mayor

Message from the Chief Executive

In accordance with Section 93 of the Local Government Act 2002, the purpose of a 10-Year Plan is to:

- a) describe the activities of the local authority; and
- b) describe the community outcomes of the local authority's district or region; and
- c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- d) provide a long-term focus for the decisions and activities of the local authority; and
- e) provide a basis for accountability of the local authority to the community; and
- f) provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

This 10-Year Plan 2009-2019 has been prepared within a global background of a significant economic recession, a relatively high Council debt balance (due to the major infrastructural work carried out for our wastewater scheme) and the loss of income from key Council investments, namely Wanganui Gas and forestry. The Council elected members and Council staff have worked hard in preparing this plan to contain expenditure at acceptable levels and at the same time provide a long-term sustainable programme of asset maintenance and replacements.

This has meant reconciling the ability of the community to pay rates, with the community's demand and expectation for Council services. It has also meant looking hard at what we currently do to see if savings could be made and cost effectiveness improved. In undertaking this exercise Council managed to reduce costs by \$780,000 in 2009/10.

Council also listened closely to your thoughts and ideas – both through submissions to the draft 10-Year Plan and through *Referendum '09*. This process saw Council reflect the wishes of the community on each referendum issue as well as incorporating new initiatives, such as increased funding for the Wanganui in Bloom programme. This was clearly a careful balancing act but also a successful one, resulting in an overall

rate increase of only 3.2% for 2009/10 – one of the lowest rate increases in the country.

This is a significant achievement and means we can be proud as a community that these decisions not only recognise affordability but also maintain a sound infrastructural base and deliver the capital projects necessary to ensure our district's continued development in line with the Council's family-friendly vision.

Although we are facing tough economic times, this Council is committed to making Wanganui an attractive place for families while ensuring quality of life for all. We look forward to achieving this with you over the coming years.



Kevin Ross
Chief Executive

**Report to the readers of
Wanganui District Council's
Long-Term Council Community Plan
for the ten years commencing 1 July 2009**

The Auditor-General is the auditor of Wanganui District Council (the District Council). The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and 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 LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of the District Council incorporating volumes 1 to 2 dated 30 June 2009 provides 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.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

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 LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP 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 30 June 2009, 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 LTCCP 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 whether:

- the LTCCP 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 as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- 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 LTCCP 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 LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP 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 an 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 LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

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

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



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Executive Summary

Introduction

The Council must review its activities and services every three years and set out its planned services, activities and financial management policies for the coming decade. This information is all drawn together into one document, the 10-Year Plan 2009-2019 (10-Year Plan).

Before the 10-Year Plan was confirmed, Council and the community made some critical choices – trade-offs between competing policies, projects and services. This year Council extended the public consultation period for the 10-Year Plan to include *Referendum '09* as well as the traditional submissions process. Through voting in the referendum and making submissions to the 10-Year Plan, the community has given Council a clear direction for providing the best solutions for Wanganui.

What is the 10-Year Plan?

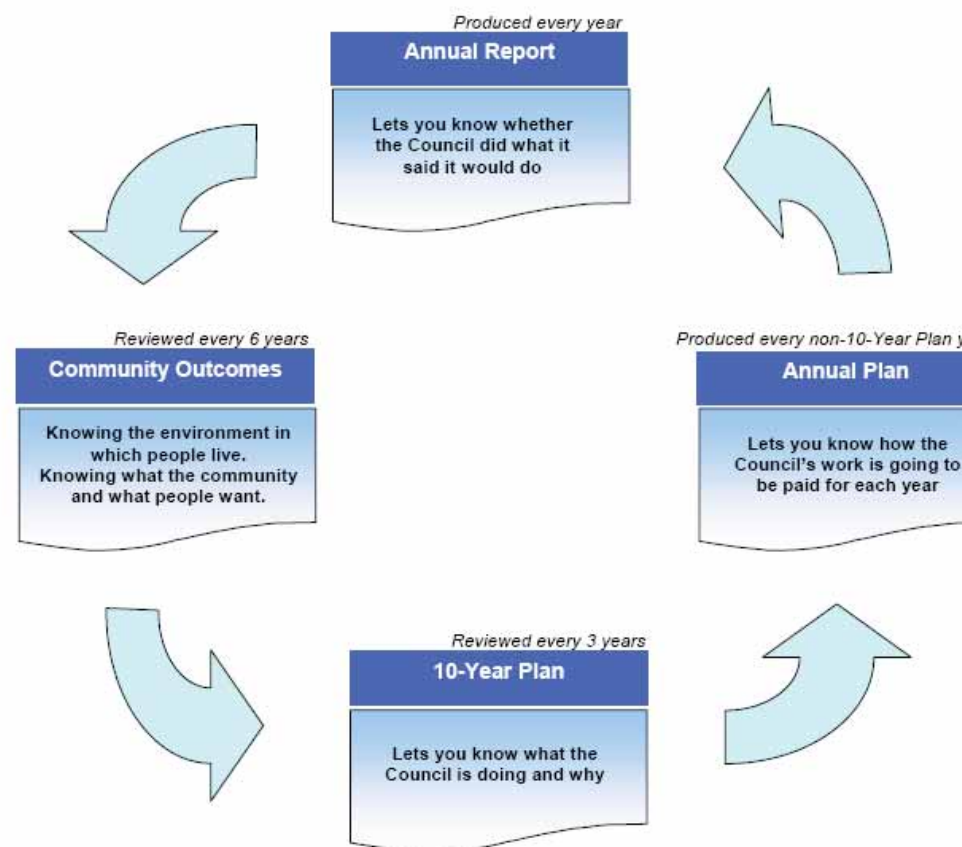
This 10-Year Plan:

- Describes the type of district the community has told Council it would like – a vision for the future (or Community Outcomes).
- Outlines the role the Council will play in working towards achieving that vision.
- Identifies some of the key challenges facing the Council over the next 10 years.
- Provides an overview of each activity the Council will carry out and the services it will provide for the next 10 years.
- Determines how much the business of the Council will cost, and how it will be funded.

The planning cycle

The Council is required to produce and consult on an Annual Plan in each of the two years when a 10-Year Plan is not produced. The Annual Plan highlights any changes or variances from the 10-Year Plan for the coming year. Then, in order to check the progress each year, Council produces an Annual Report. This lets the community know whether the Council did what it said it would and shows Council's financial performance against its budget.

The diagram shows the different steps of the planning cycle:



Changes to financial policies

What's in the plan?

A number of matters were taken into account in developing this 10-Year Plan and these are outlined in various sections.

Volume 1 contains an overview of the current situation and presents the major issues facing the district over the life of the plan. Information on the results of *Referendum '09*, the Community Outcomes and Council's response to these is presented. A financial overview, using graphs, shows the impact on rates for the 2009/10 year. Volume 1 also includes all the required financial data over a 10 year timeframe. This includes all financial statements and financial policies. Details of rates required for 2009/10 are disclosed in this volume.

Volume 2 presents all the detailed information for each of Council's groups of activities. This volume includes details of asset information, performance measurement, operational and capital expenditure as well as funding implications.

Community trends and issues

Wanganui is not a rich or growing community

In New Zealand, 29.6% of the population is classified in the most socio-economically deprived deciles 8 to 10. Wanganui has 49.7% of its population classified in those deciles.

The Maori population makes up a significant and growing proportion of our community. Wanganui has 60.4% of its Maori population classified in deciles 9 and 10, compared with the national average of 42%.

These statistics are extraordinarily important in determining our community's ability to pay – the ability to meet the Council's rate demands.

The forecasts are that Wanganui's population will remain relatively static but that is assuming we will do what we have always done in Wanganui.

This Council intends to turn this trend around and to grow Wanganui. The Family-friendly strategy sets out how Council intends to change the fortunes of Wanganui.

Economic turmoil

The 10-Year Plan is drawn up against a background of economic turmoil. Council was aware of the need to keep rate increases low and asked the community to help set the rate increase for the next year.

Council's finances are under significant strain

The financial pressure is a direct consequence of the wastewater scheme (estimated total cost is now \$120M), plus the reverses in the Council's Wanganui Gas and forestry shareholdings.

The latter investments were scheduled in the 10-Year Plan 2006-2016 to provide Council with an estimated net income of \$3M per annum. Neither Wanganui Gas nor forestry will provide Council with returns in the first two years of this plan.

Council needs to better prioritise its spending

In preparing this document, Council has had to reconcile the ability of the community to pay rates with the community's demand for Council services. Council looked very closely at its activities and services to determine whether there were more cost effective ways to provide these services. As a result, Council managed to reduce costs by \$780,000 in 2009/10.

Savings	Amount
Interest	400,000
Resource management – reduced consultants	60,000
Insurance	80,000
Vehicles	10,000
Audit fee reduction	10,000
Economic development overheads	16,000
Salary reductions	139,000
Parks and reserves contingencies	65,000
TOTAL	780,000

Executive Summary

Council is reviewing the parks and open spaces portfolio to ensure that it is not holding land that is surplus to the district's requirements. Any land that is surplus to requirements will be divested. Council is also considering lowering the level of service in non-premier parks in an effort to reduce operating costs.

Some planned projects have been delayed or cancelled. For more information see Excluded/deferred projects on page 21.

Council took the above trends and issues into account, along with the results of *Referendum '09* and submissions to the Draft 10-Year Plan, in order to determine:

- the level of Council's services;
- Council's financial strategy.

Referendum '09 results

The tables below show the results from *Referendum '09*. These results are reflected in the 10-Year Plan, with Council decisions mirroring the wishes of the community on each issue.

Which spelling would you prefer for our city and district?

	No of votes	
Wanganui	14,410	77.32%
Whanganui	4,153	22.28%
Informal	29	0.16%
Blank	44	0.24%
	18,636	100.00%

Should the Visitor Information Centre be relocated to Moutoa Quay/Riverfront?

	No of votes	
Yes	10,716	58.54%
No	7,231	39.50%
Informal	39	0.21%
Blank	320	1.75%
	18,306	100.00%

Should a small levy be imposed upon all businesses and households for the purpose of promoting Wanganui nationally - as a residence and a place to visit?

	No of votes	
Yes	5,082	27.76%
No	12,830	70.09%
Informal	25	0.14%
Blank	369	2.02%
	18,306	100.00%

Should council transfer ownership of part or all of its pensioner housing complexes?

	No of votes	
Yes	4,665	25.48%
No	13,075	71.42%
Informal	71	0.39%
Blank	495	2.70%
	18,306	100.00%

Should the council sell Energy Direct, the retail trading arm of Wanganui Gas?

	No of votes	
Yes	5,171	28.25%
No	12,533	68.46%
Informal	64	0.35%
Blank	538	2.94%
	18,306	100.00%

Executive Summary

Which average rate increase for 2009/10 do you consider to be in the best interest of our community?

	No of votes	
3%	8,871	48.46%
Approximately 5%	4,102	22.41%
7%	720	3.93%
I will leave this decision to councillors	4,080	22.29%
Informal	184	1.01%
Blank	349	1.91%
	18,306	100.00%
Valid papers returned	18,297	99.95%
Informal papers returned	9	0.05%
	18,306	100.00%

Key decisions

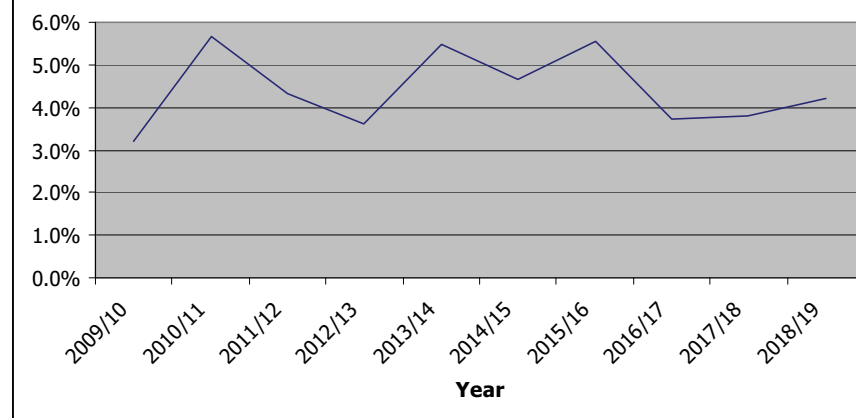
In line with the Council's desire to create a family-friendly, aesthetically attractive Wanganui and the community's needs for an affordable place to live and do business, the Council focused on initiatives that will:

- Keep rates at a level the community can afford;
- Boost Wanganui's national and international profile as a desirable place to live, do business and visit;
- Reduce anti-social behaviour;
- Reduce investment risk; and
- Maximise external funding.

Rates

Council set out three rating scenarios in *Referendum '09* and asked the community to choose the option it considered best for Wanganui. Nearly half of all respondents chose the 3% option and Council worked hard to include as many services as possible within this amount. As a result, rates will increase only 3.2% in 2009/10. This result is one of the lowest rates increases in the country.

Rates increases over the 10 years



Promotion and image

Visitors to the district

Nearly 60% of voters want Wanganui's Visitor Information Centre to be relocated to the Moutoa Quay/riverfront area Council currently owns land and buildings in the vicinity and will consider converting these to provide an outstanding, accessible and attractive centre for visitors and Wanganui residents. Council has spread the capital cost of \$1.03M over the first two years of the 10-Year Plan. Council has allocated \$180,000 from its economic development budget for the image building of Wanganui. A working party to develop Wanganui's image and effective promotion has been established and a Visitor and Events Strategy will be developed.

Southern Entranceway – Gateway to Wanganui

The southern entranceway (SH3 from Marybank to the Cobham Bridge) is regarded as an eyesore that detracts from Wanganui's image, and discourages passing traffic from visiting our city. In concert with the New Zealand Transport Agency, Council has resolved to upgrade the southern

Executive Summary

city entrance and beautify the surrounds. \$220,000 has been allocated in 2009/10 to landscape the area and purchase land.

Landguard Road upgrade

Landguard Road upgrade to Chas Poynter Drive is included in the 10-Year Plan, with \$35,000 for design work in 2009/10 and \$525,000 for construction in 2010/11. This project will attract 62% subsidy from New Zealand Transport Agency and will align well with the Gateway to Wanganui project.

Billy Webb Challenge

The Billy Webb Centennial Challenge in 2008 was a huge success, with the rowing race between Olympic gold medalist Olaf Tufte and World Champion Mahe Drysdale being televised worldwide. Council received feedback from the community that this event has the potential to put Wanganui on the world stage every year. As a result, Council has allocated \$40,000 a year for the first three years of the 10-Year Plan. Council believes that the next event, in 2009/10, will determine the overall success of the project and has decided that the event will be reviewed on a yearly basis.

Riverfront development concept plan

Council has included \$50,000 in 2009/10 and 2010/11 for a Riverfront development concept plan. This work recognises the value of the river and the riverfront to the district and ensures that future development in the area is well thought out and consulted on.

Cooks Gardens athletic track

Council received submissions requesting that the funding for the athletics track at Cooks Gardens be moved forward, from 20012/13 to 2010/11. Council heard that the track was deteriorating and that key sporting events could be deterred from coming to Wanganui. Furthermore, the track in its current state is starting to cause injuries to users. Council allocated \$370,000 to upgrade the Cooks Gardens athletics track and committed a further \$80,000 towards operating costs of Cooks Gardens.

Kowhai Park toilets

Council deferred work on toilets in the Council's main administration building and put the money towards upgrading Kowhai Park toilets. \$250,000 will be spent on this project, based on feedback from the Council's Toilet Working Party. A Toilet Strategy for Wanganui has been developed and will be considered by Council in 2009/10.

Wanganui in Bloom

Council has allocated \$26,000 of rates funds to the Wanganui in Bloom project. This will see more hanging baskets in the Central Business District during 2009/10.

Transfer of ownership

No sale of Energy Direct

68% of voters in *Referendum '09* want Council to keep ownership of Energy Direct, the retail arm of Wanganui Gas. Proceeds from the sale would have been used to reduce Wanganui Gas' debt and would also have led to estimated dividends of \$1.5M per year from Wanganui Gas and GasNet; however, Council will now hold onto Energy Direct.

No transfer of pensioner housing ownership

The Council currently provides social housing for elderly people with modest financial means. The rental from the properties is used to cover the management and purchase costs of the complexes and does not provide income for the Council. In *Referendum '09* Council asked the community whether it should continue to provide social housing at this level over the next 10 years. The alternative would have been to transfer ownership of part, or all, of the complexes to charitable organisations. The community voted "no" to this proposal, with 71% of voters stating a desire for Council to keep its pensioner housing.

Rural halls ownership

Council is seeking to quit ownership of existing rural halls. It is exploring options with the Wanganui Rural Community Board and has allocated \$520,000 over the 10 years of the plan for the development of a rural halls trust. It will also be used to assist with the running costs of the halls. The

Executive Summary

trust would be responsible for the operation of the halls and would work with Council to maintain the halls in good condition.

Future services

A unitary authority and shared services investigation

A potential and significant impact upon future service delivery is the current exploration of shared services with other councils in the region. Research is being undertaken to determine the efficiency of Council assuming services currently provided by Horizons Regional Council through the establishment of a unitary authority.

Referendum '08 Events Centre of New Zealand

Events Centre of New Zealand

The Events Centre of New Zealand project was the community's first choice in *Referendum '08*. The Council has resolved to establish the potential level of external funding available for the Events Centre and the working party will continue to examine ways in which this project can move forward.

Policy direction

Trade waste policy

Council has decided to extend the reduced interest rate of 7% to commercial ratepayers paying trade waste fees for 2009/10 and 2010/11. Trade waste charges have increased as a result of additional capital equipment required at the wastewater treatment plant, including additional and improved aerators. The reduced interest rate acknowledges the difficult economic environment in which these businesses are currently operating.

Broadband strategy

Council is currently investigating the facilitation of broadband internet services to the Wanganui community and developing a strategy. It is actively seeking government assistance but, until government policy is settled on this issue, cannot progress or allocate any policy or funding.

This is a matter under active consideration that is unlikely to be addressed before the Draft Annual Plan 2010/11.

Earthquake-prone buildings policy

Council has reviewed its Earthquake-prone buildings policy and extended the timeframes by which all earthquake-prone buildings have to be retrospectively upgraded to latest seismic building codes. This community has a number of older buildings, both public and private, that have significant heritage value. The extended timeframe to upgrade allows owners of these buildings to better plan and afford the upgrade. Additionally it is the intention of this Council, along with similarly affected local authorities with high numbers of heritage buildings, to approach central government politicians to discuss opportunities for funding and/or compliance relief associated with this regulatory imposition.

The Earthquake-prone buildings policy's extended compliance timeframe means there are no costs allocated in this plan for seismic upgrade of Council-owned buildings apart from those associated with planned maintenance and replacement.

Archeological assessments

Council has included \$50,000 in the plan for archeological assessments, in order to avoid costly accidental discovery incidents.

Executive Summary

Other issues

Regulatory services and community assistance

Council envisages significant strain being placed upon the voluntary, non-profit and welfare sector over the next two years, due to the global credit crunch and resultant recession. Council has increased the amount of funding available for community work to recognise the additional burden placed on community groups by the economic recession.

The economic downturn has also seen Council predict a decrease in building consent activity. As a result, it has reduced its expected income within the Regulatory services area by \$100,000 per year over the first two years of the plan.

Council will continue to fund anti-litter and anti-graffiti squads, promote policies, bylaws and legislation that reduce anti-social activity and inhibit bad neighbours and adopt a zero tolerance approach to gang activity in the district. Council foresees the Wanganui District Council (Prohibition of Gang Insignia) Act 2009 as having a positive impact on the community, with the proposed Wanganui District Council (Prohibition of Gang Insignia) Bylaw 2009 out for consultation during June 2009. Council will continue to work with the Police and other key stakeholders to reduce the likelihood of intimidation and offensive behaviour in Wanganui.

External partnerships

Council is keen to maximise external funding for Council-driven and community projects during the life of the 10-Year Plan. Council will petition government for increased subsidies and grants for infrastructure projects as well as contributions from community funding agencies for specific projects.

Investigation into the effect of forestry upon rural roads

The forestry industry has been depressed since 2003 and no improvement in the industry's immediate future is predicted. Council's forestry dividends are projected to be conservative in comparison with previous 10-Year Plans. Nevertheless, some harvesting – Council and private – will be ongoing and this will affect the quality of rural roads. An investigation as to

the extent and effects of that activity is currently being undertaken by the Wanganui Rural Community Board.

Financial strategy

The Council's financial strategy for the next 10 years is as follows:

- Acknowledge that most of Council's debt is created by major infrastructural projects (e.g. wastewater separation project)
- Accept that debt is the best way to pay for such projects - because it spreads the repayments and ensures that each generation pays its fair share (inter-generational equity)
- Review and renew our capital assets, but prioritise spending upon them
- Acknowledge that the economic recession will affect the ability of people to pay any increase in rates
- Accept that Wanganui is not a wealthy community
- Prudently manage the Council's assets, budget, investments and finances
- Balance our fiscal responsibilities with our Family-friendly strategy and the community wellbeings

Council's strategies, plans and policies overlap and interlink with one another. This means that needs and wants compete with each other and trade offs have to happen in order to balance the books. Trade offs may generate changes in levels of service or risk. Council has built a budget based on the aforementioned principles. Levels of service remain largely the same throughout the plan.

The community wellbeings - social, environmental, economic and cultural - must be considered in a balanced way in the plan. In some years, priority may be put on one wellbeing more than another wellbeing and therefore have more or less money spent on it. So the wellbeings compete with each other.

Council's projected financial situation in this plan shows a stable level of income, prudent surpluses and a debt balance that will reduce as the money we borrowed for the big infrastructure projects is repaid. Rates and other income are set and expenses are budgeted to match the income

Executive Summary

received. But things change ... unpredictable events, new circumstances, rapid changes in political and community expectations, requiring responsive and urgent Council decisions to take place, can vary the plan. The budget is updated each month to account for new circumstances and new information and these changes are presented to the Council's Finance and Infrastructure Committee.

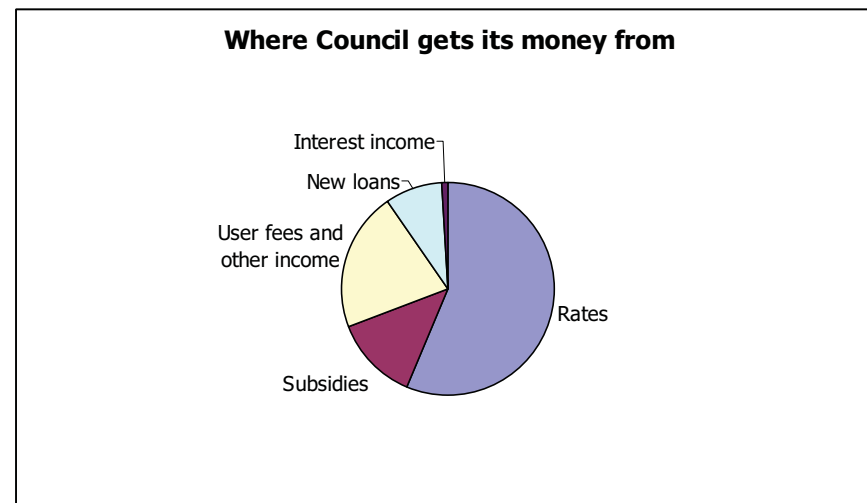
Prudence is a key principle Council applies to budgeting. Being prudent means being careful with deliberation. We are required by legislation to be prudent. Practically this means that Council will fund its operating expenditure (including capital replacements) from operating revenues and with reserves. The Prospective cost of service statement (Table 1, page 19) shows that the money Council receives is equal to the money it pays out.

Other general principles include:

- Any distributions of income from Council's investments in Wanganui District Council Holdings Limited and forestry will be used to repay debt.
- Council will dispose of assets that are not considered core business and are financial liabilities and the asset sale proceeds cannot be used to fund operational costs.

Council uses its Revenue and financing policy (page 135) to calculate who pays for what and how much. The policy setting process asks the question: who benefits (the public at large or a selected group of ratepayers) from Council providing a service? It analyses how and when the community should pay for the benefits it receives. Council is required to perform a regular funding review and this determines the appropriate funding tools for each activity.

The following graph shows where Council gets its money from.



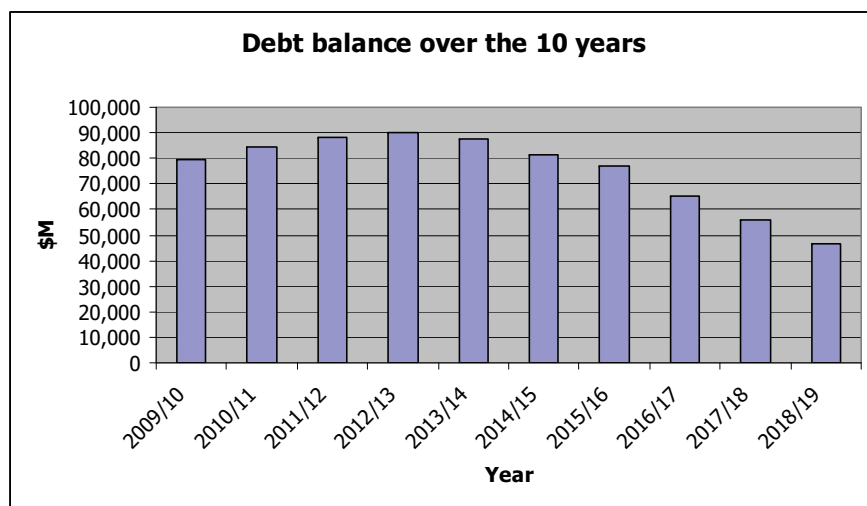
Council debt

Council optimises the use of capital by using its limited financial resources in such a way as to maximise the benefits provided to the community, while minimising the burden on ratepayers. Council funds new capital projects and some capital replacements from borrowings, the sale of existing assets and/or reserves.

The relatively high level of Council debt is a result of the \$120M wastewater project as well as the non-performance of Council investments. The wastewater project is nearing completion and the debt level is expected to peak in 2012/13.

Executive Summary

The graph below shows the projected debt balance over the 10 years of the plan.



To ensure our debt balance is sustainable, Council will adhere to the following borrowing limits:

- Total debt not to exceed two times total revenue less Government subsidy.
- Gross interest expense of borrowings not to exceed 15% of total revenue less Government subsidy.
- Net cash flows from operating activities to exceed net interest expense by two times.

Council will mitigate interest rate risk by not having maximum borrowings maturing in any one year and using interest rate swaps.

The following changes to Council's financial policies have taken place.

Liability management policy

Council has changed one of its borrowing limits so that it is "Total debt not to exceed two times total revenue less Government subsidy". Due to economic conditions, Council changed the levels of floating interest rate exposure it may have.

Investment policy

For investments up to two years, Council can now invest 100% of total portfolio with banks.

Development contributions

Council has reviewed its Development contributions policy. Development contributions are charged when demand for services is increased as a result of growth. These charges are imposed at the time of subdivision and are calculated as a proportion of the cost of the infrastructure relating to growth.

The Council's set of books for the next 10 years

The following Prospective cost of service statement shows Council's income and expenditure over the next 10 years. Total income increases from \$59M in 2009/10 to \$85M in 2018/19. Of the increase of \$26M, rates collected will increase by \$18M over the 10 years. Council is budgeting an average 2% increase per year in total activity costs. More than \$203M is programmed to be spent on assets over the 10 years.

Council has committed to completing its current planned capital projects in the first half of the plan leading to peak debt of \$90.2M in 2012/13. In the last four years of the plan Council has committed to reducing debt to \$46.3M while spending \$9.8M (excluding inflation) on capital projects which include additional capital replacement expenditure in parks and reserves, water and wastewater identified as deferrals during our asset management planning process.

Prospective cost of service statement

Table 1

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Income											
Rates	35,456	36,865	38,950	40,625	42,086	44,380	46,437	49,013	50,841	52,773	54,988
Subsidies	9,056	8,265	9,260	8,971	8,737	8,040	8,530	10,028	11,963	12,233	9,015
User fees and other income	13,954	13,839	14,682	16,696	17,336	19,155	18,620	19,207	19,914	20,538	21,556
Total income	58,466	58,969	62,892	66,292	68,159	71,575	73,587	78,248	82,718	85,544	85,559
Capital funding											
Transfer from/(to) special funds	372	(402)	(492)	(624)	(839)	(944)	118	(763)	(558)	(1,077)	(1,347)
New loans/(loans repaid)	6,020	5,700	5,190	3,881	1,819	(1,208)	(3,933)	(3,362)	(6,267)	(7,951)	(7,416)
Total capital funding	6,392	5,298	4,698	3,257	980	(2,152)	(3,815)	(4,125)	(6,825)	(9,028)	(8,763)
Total funding	64,859	64,267	67,590	69,549	69,139	69,423	69,772	74,123	75,893	76,516	76,796
Costs											
Operating costs	26,803	27,307	29,351	29,467	30,031	30,926	31,765	32,648	33,849	34,478	35,187
Salaries and wages	11,819	11,818	12,312	12,639	12,962	13,297	13,634	14,001	14,381	14,748	15,128
Debt servicing	5,587	5,613	5,994	6,311	6,511	6,532	6,352	6,097	5,760	5,262	4,725
Total activity costs	44,209	44,738	47,657	48,417	49,504	50,755	51,751	52,746	53,990	54,488	55,040
Capital expenditure											
Capital acquisitions	10,814	9,434	8,521	8,800	5,131	3,691	5,257	7,603	7,846	7,617	5,128
Capital replacements	9,835	10,095	11,412	12,332	14,504	14,977	12,764	13,774	14,057	14,411	16,628
Total capital expenditure	20,649	19,529	19,933	21,132	19,635	18,668	18,021	21,377	21,903	22,028	21,756
Total funding requirement	64,859	64,267	67,590	69,549	69,139	69,423	69,772	74,123	75,893	76,516	76,796
Rates Increase		3.2%	5.7%	4.3%	3.6%	5.5%	4.6%	5.5%	3.7%	3.8%	4.2%
Debt balance		79,316	84,505	88,386	90,205	88,997	85,064	81,702	75,434	67,484	60,068

Council activities and tradeoffs

How Council has determined what's included and what's excluded from this plan

Council considers rating levels need to be kept at a level that the community can afford. In preparing this document, Council has had to reconcile the ability of the community to pay rates with the community's demand for Council services. Council considers keeping rate increases at around the rate of inflation as its highest priority. With this in mind, Council has had to make some difficult decisions about which projects it is able to complete within the proposed rating base and which ones it is not.

Table 2 outlines significant excluded or deferred projects and the possible risks and consequences of these decisions. It also examines the effect on levels of service and the impact on community wellbeing.

Excluded/deferred projects

Table 2

Item excluded/deferred sorted by Community Outcome affected	Risks/consequences	Effect on levels of service and community wellbeing
A SAFE COMMUNITY		
Footpaths and berms – annual replacement programme reduced	Reducing the footpath maintenance budget by \$100,000 for the next two years will mean the condition of this ageing infrastructure will further deteriorate, increasing the risk of trip hazards and complaints.	Reduction in level of service. This will affect community safety.
Roading – minor safety projects reduced	Increased risk and consequence of accidents. Wanganui may fall below NZTA standards.	Reduction in level of service. This will affect community safety.
Stormwater – Springvale swale development deferred to 2014-2018	Increasing pressures on the city stormwater system, due to development and higher rainfall, means that more properties are liable to flood in a heavy rainfall event. The deferral of this work will increase the risk of flooding to property.	Level of service may reduce if higher rainfalls eventuate. Risks of flooding will affect the safety of land, people and property.
Stormwater – no allowance for stormwater services has been made in the Mosston Road area to cater for potential growth (\$6M)	District growth will continue to be in restricted service residential areas. Growth in outlying areas is potentially more expensive.	No change to level of service.
Central Business District maintenance – replacement of CBD under verandah lighting deferred pending a review of CBD priorities	Potentially lesser level of quality of lighting in the CBD. While the assets are nearing the end of their theoretical life, they are currently performing as required.	No change to level of service.
A PROSPEROUS COMMUNITY		
Water supply – duplication of the Castlecliff water main is deferred to 2013-2015	Water pressure will drop over time which will impact Castlecliff residents' and industrial users' flows.	Higher risk of major failure. This could affect potential economic opportunities and community safety.
Parks and reserves – Cooks Gardens flood lighting upgrade excluded	Cooks Gardens may be unable to hold premier night attractions and the city may lose events due to events not being able to be televised.	No change to level of service.

Excluded/deferred projects

A WELL CONNECTED COMMUNITY		
Roading – Dublin Street Bridge replacement excluded	No provision is made to replace the bridge. Current heavy vehicle restrictions will remain. Significant periods of bridge closure are expected during deck maintenance.	Minor reduction in level of service. Closures will affect the interconnectedness of the transportation network.
Roading – Fields Track rehabilitation excluded	This will increase operational maintenance costs in later years.	No change to level of service.
Roading – Riverfront pathway extension Bates Street to Moutoa Quay	Access to the riverfront will not be enhanced. The two developed sections of the riverfront pathway will not be linked.	No change to level of service. Note: the 7% scenario will increase the level of service.
A COMMUNITY WITH WELL DEVELOPED AMENITIES AND RECREATIONAL OPPORTUNITIES		
Parks and reserves – Springvale Park drainage deferred until 2012-2015	Increased risk of flood damage and the park being unavailable for use.	Potential minor reduction in level of service. This could affect access to recreational opportunities.
Parks and reserves – Wharf Street boat ramp repairs excluded	This will restrict access to part of the ramp and increase operational maintenance costs in later years.	Minor reduction in level of service. This will affect recreational opportunities.
Parks and reserves – Infill of the North Mole and riverside access for recreational purposes excluded	This will increase the cost to reconstruct at a later date. Further storm damage to the mole will further restrict recreational use. A major storm event affecting the integrity of the mole could adversely affect the use of the port for coastal shipping as well as coastal property in the vicinity.	Minor reduction in level of service. This may affect access to the mole and associated recreational opportunities.
A COMMUNITY WITH IDENTITY		
Cemeteries – replacement of slumping ground beams at the cemetery excluded	If the beams that support the headstones slump, headstones could fall over and the visual appearance of the cemetery will decline.	No reduction in level of service but the visual appeal may be affected. This could affect the cemetery's quality image.
Central Business District maintenance – CBD upgrade	The deferral of the CBD upgrade will slowly reduce the aesthetic appeal of the area and possibly foot traffic.	Minor reduction in level of service. This could affect the CBD's quality image and district identity.
Parks and reserves – upgrades of toilets at Lake Wiritoa, Durie Hill and Ladies Rest building excluded	Reduced quality and accessibility of conveniences throughout the district. Council has appointed a working party to review all toilets.	Reduction in level of service. This could affect community pride and the image of the district.

Excluded/deferred projects

AN ENVIRONMENTALLY SUSTAINABLE COMMUNITY		
Wastewater – sewerage pipe maintenance is less than asset management plans recommend	Reduced sewerage system maintenance will increase the risk of untreated sewage overflowing to the river and reduce the quality of our environment. It may lead to substantial increases in maintenance costs.	Level of service may be reduced. This may affect the quality of the river environment, associated recreational activity and the health of people.
Wastewater – new Beach Road pump station generator deferred to 2011/12	As separation requires more sewage to be pumped to the treatment plant, the risk of pump failure could result in untreated sewage being discharged to the Whanganui River.	No change to level of service.
Waste minimisation – kerbside recycling service excluded	Rubbish will continue to go to landfills. There will also be an element of community disappointment as expectation of gaining a kerbside recycling service, fuelled through <i>Referendum '07</i> , does not materialise.	No change to level of service.
A COMMUNITY WHERE PEOPLE WORK TOGETHER		
Property – refurbishment of Council building (2nd floor) excluded	Council staff are likely to be less efficient in outdated and crowded office space.	No change to level of service.
Corporate management – vehicle replacement programme on hold until 2011/12	Council implemented a policy to roll over vehicles five yearly. This has been suspended for 2009/10 and 2010/11 and may lead to increased repairs and maintenance costs and higher capital costs in the later years of the plan.	No change to level of service.

Conclusion

The 10-Year Plan 2009-2019 has been developed in a time of economic uncertainty. The Council has strived to take a sustainable approach to setting the budget as well as taking into account wider societal issues facing Council.

In the early years of this plan, the key risk for Council is in the infrastructure area and the risks associated with potential asset failure as a result of deferring maintenance and capital expenditure. However, the Council has considered this to be a calculated risk and funding increases in the later years of the plan decrease that risk accordingly.

As a result, the total rate increase for 2009/10 will be 3.2%. Council's Family-friendly strategy, *Referendum'09* and submissions to the Draft 10-Year Plan helped Council to make trade off decisions between various proposals.

Community Outcomes

Priority	Community Outcomes	Key objectives
1	A healthy community	<ul style="list-style-type: none"> • Access for all to healthcare services • Local health services are retained and enhanced • Active recreational and sporting opportunities are promoted and provided for all people of all abilities
2	A safe community	<ul style="list-style-type: none"> • Wanganui is a safe place, free from gangs • Police capability within the district is increased • Pavements and pedestrian crossings are safe for all abilities
3	A prosperous community	<ul style="list-style-type: none"> • Wanganui is known as being 'business friendly' • A strong workforce with training opportunities in all trades • Exciting employment opportunities for young people • A strong rural economy based around primary production and export • The port is developed to

		<ul style="list-style-type: none"> • its full potential • Sustainable tourism is promoted along with iconic events
4	A well connected community	<ul style="list-style-type: none"> • Well connected accessible pathways throughout the district • A well used, affordable and accessible public transport system both within the city limits and between cities • A safe interconnected transport network • Improved access to port, rail, air and roading networks • Excellent communication networks across the district • Supporting communities along the Whanganui River
5	A community where people work together	<ul style="list-style-type: none"> • A well governed district with positive leadership • Collaboration between community leaders • Community is empowered to participate in decision-making • Inter-sector

Community Outcomes

		<ul style="list-style-type: none"> collaboration Empowering all people to contribute to society
6	A community with quality education	<ul style="list-style-type: none"> Quality education choices for all Education targeted towards local employment needs
7	A community with well developed amenities and recreational opportunities	<ul style="list-style-type: none"> Development of activities and facilities for young people Promotion of community and cultural facilities Promote high levels of participation in our sports and recreational facilities Provide cultural and sporting facilities and services that sustainably meet the needs of the community
8	A community with identity	<ul style="list-style-type: none"> To foster Wanganui's unique identity and image in a positive way Residents take pride in and visitors value Wanganui's rich heritage, culture and amenity values Maori culture is valued

		<p>and celebrated</p> <ul style="list-style-type: none"> Wanganui is an exciting place for youth Wanganui is a great place to live for all people
9	An environmentally sustainable community	<ul style="list-style-type: none"> Sustainable and efficient use of the district's resources Preserving the natural environment particularly the coastline, Whanganui River and hinterland

Community Outcomes

Process undertaken to review Wanganui's Community Outcomes

Background

The Wanganui District Council first engaged with the community and determined its Community Outcomes in 2003.

In 2008, Council embarked on a process to review its Community Outcomes which has assisted in the preparation of this 10-Year Plan 2009-2019. This review was undertaken in accordance with Section 91(1) of the Local Government Act 2002.

Review Process

Step 1 – Project planning

A Council project team was formed to initiate the Community Outcomes review and identified that the review should be undertaken at a 'high level' in conjunction with key community stakeholders. Key stakeholders were to take a lead role in engaging with their stakeholders as a significant part of the Community Outcomes review. Council would facilitate this process.

Key stakeholders were selected to cover the four aspects of community wellbeing (social, economic, cultural and environment).

A Community Outcomes project plan, communication plan and engagement plan were all developed and approved by Council.

The timeframe for the review process was January to October 2008.

Step 2 – Key stakeholders

The Council sought agreement to the process from key stakeholders that it had built up a close working relationship with, including the two local Iwi, Police, District Health Board, Whanganui UCOL, Ministry of Education, Te Puni Kokiri, Sport Wanganui, Department of Conservation and Ministry of Social Development/Work and Income New Zealand.

Maori/Iwi engagement and input was achieved through both direct liaison via Council's two Iwi liaison partnership hui and with Maori generally through meetings hosted by Te Puni Kokiri. Council also utilised the expertise of its internal Iwi appointed liaison officer.

The Council's message to the key stakeholders was that the Community Outcomes process was about them taking a lead role in engaging with their various stakeholders in an effort to identify and contribute to the outcomes.

Council staff met with key stakeholders to discuss how best to engage with their stakeholders, what the process would be and how Wanganui District Council could assist them. Stakeholder contact lists for each key stakeholder were drawn up to be used for focus group engagement.

Step 3 - Communication

A communication programme was established.

Step 4 – Engagement

The engagement of the stakeholder groups took place from March to May 2008. This took the form of focus group meetings and involved looking back at where we had come since 2003 and then a visioning exercise to get participants thinking at a strategic level about Wanganui's future. Ideas were captured and recorded during the exercise with the aid of mind mapping to represent the various thoughts of the group. The looking back involved reviewing the current Community Outcomes, including monitoring data to establish areas of success and areas where gaps still existed.

Councillors were rostered to be present at each of the focus group meetings.

Additionally we wanted to engage with the general public on their views for Wanganui's future. We attempted this by going to events where the community were already gathered i.e. River Traders Market, Trafalgar Square shopping centre and major community events. At these gatherings Council pictorially displayed Wanganui's progress over the years across the community wellbeings.

Community Outcomes

These historical photos and Wanganui story attracted people to the stand to share memories and engage with staff on thoughts for Wanganui's future. These thoughts were captured on whiteboards and questionnaires.

Additionally Council sought the general public's views through a dedicated section on Council's website.

Step 5 - Analysis

All the various engagement notes and information were entered into a spreadsheet for analysis. The Community Outcomes team used both qualitative and quantitative analysis techniques to identify the issues most often raised through the forums and the relationships between issues. Related issues were grouped.

Step 6 – Consultation and ranking of draft Community Outcomes

This time around, Council was keen to gauge some form of priority listing for identified Community Outcomes. Therefore, once draft Community Outcomes were established they were communicated to the participating key stakeholder groups to seek their priority rankings and any final feedback on the draft outcomes.

Rankings from each group were analysed to establish an overall ranking for the Community Outcomes 2008. Some minor amendments to wording were also incorporated following stakeholder feedback.

Step 7 - Finalisation

Finalisation of the Wanganui Community Outcomes occurred in October 2008. These were endorsed at a meeting of the Council. All submitters and meeting hosts were sent a copy of the final outcomes and invited to be part of the action planning process.

Step 8 - Documentation

Documentation produced to convey the 2008 Community Outcomes includes:

- An easy to carry pocket booklet
- Community Outcomes Plan 2008

The Community Outcome Plan 2008 provides additional detail about the Community Outcomes process and the contribution that the other organisations and groups will make towards the achievement of the Community Outcomes. The 10-Year Plan focuses on the Council's contribution over the next 10 years.

The regional outcomes that relate to the Wanganui district are:

- Water quality – clean and healthy water bodies
- Flood protection – early warning and reasonable protection from flood events
- Habitat protection – biodiversity protected and enhanced
- Coastal environment – quality coastlines
- Land management – appropriate use of highly erodable land
- Water allocation – fair allocation of water

The regional outcomes that apply to the Wanganui district also apply to the whole region. However, the Whanganui River was identified as a significant local issue through the regional process, as it was in the local outcomes identification process. The outcomes about water quality, flood protection, habitat protection, coastal environment, land management and water allocation all relate the Whanganui River.

Council's contribution to furthering the Wanganui Community Outcomes

The Council has developed a strategic plan which incorporates Council's vision to be a 'family-friendly' district. This plan is informed by the Community Outcomes and is incorporated into a strategic planning and management framework (Interplan) to enable an integrated approach to recording actions that will contribute toward the Community Outcomes and to monitoring and reporting on progress.

Table 3 shows the Community Outcomes to which the Council's groups of activities and individual activities primarily contribute and includes links to Council's Family-friendly strategy. It also shows key projects and initiatives that will be undertaken over the next 10 years.

Community Outcomes

Table 3 Council's contribution to the Wanganui Community Outcomes and links to Council's Family-friendly Strategy

It is important to note that these Community Outcomes belong to the community, not the Council. As a result, Council's role is to take the lead by facilitating their achievement in partnership with other key stakeholders. These key stakeholders and their specific commitments to the realisation of the Community Outcomes are demonstrated in Table 4.

The Family-friendly Strategy reflects this Council's focus on making Wanganui a family-friendly place in an effort to ensure quality of life for existing residents and to attract new people to the district. In many cases the strategy's aims are complementary to the Community Outcomes and this has been shown in the following table. This illustrates how Council will make sure it flows these important community-driven and community-focused ideas through into its planning and service delivery. More information about Council's Family-friendly Strategy can be found on page 47.

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
1. A healthy community	<ul style="list-style-type: none"> Good health care services 	<p>Infrastructure</p> <p>Property and facilities</p> <p>Community and culture</p>	<p>Waterways and natural drainage</p> <p>Stormwater</p> <p>Wastewater</p> <p>Water supply</p> <p>Waste minimisation</p> <p>Roading</p> <p>Footpaths and berms</p> <p>Airport</p> <p>CBD parking</p> <p>Swimming pools</p> <p>Parks and reserves</p> <p>Cemeteries</p> <p>Central Business District maintenance</p> <p>Pensioner housing</p> <p>Community development</p> <p>Library</p>	<ul style="list-style-type: none"> Connecting the Airport and Putiki South supplies to the urban network. Replace Castlecliff water main Re-roof water reservoir Soft water bore commissioning Wastewater treatment plant work Water pipe replacement programme Development of new cemetery extension 2012/13 including a natural burials area Upgrade the crematorium Construction of swings at Peat Park Working collaboratively with the Whanganui DHB, PHOs and ACC; supporting health initiatives such as the Gonville Centre, community gardens and Healthy Homes. Providing funding support to youth sports representatives

Community Outcomes

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
		Customer services Strategy and development	Regulatory services Emergency management Strategy and policy	<ul style="list-style-type: none"> Building family sport engagement through Community Taskforce initiatives.
2. A safe community	<ul style="list-style-type: none"> A safe community 	<p>Infrastructure</p> <p>Property and facilities</p> <p>Customer services</p> <p>Strategy and development</p> <p>Community and culture</p>	<p>Waterways and natural drainage</p> <p>Water supply</p> <p>Stormwater</p> <p>Wastewater</p> <p>Waste minimisation</p> <p>Roading</p> <p>Footpaths and berms</p> <p>Airport</p> <p>Sea port</p> <p>CBD parking</p> <p>Swimming pools</p> <p>Central Business District maintenance</p> <p>Parks and reserves</p> <p>Pensioner housing</p> <p>Regulatory services</p> <p>Emergency management</p> <p>Strategy and policy</p> <p>Community development</p> <p>Library</p>	<ul style="list-style-type: none"> Repair failed flood protection banks Minor safety projects Mosston Road widening River Road seal Fitzherbert Avenue extension Urban water reticulation New water bores commissioning Springvale swale and detention programme Airport runway reseal Upgrade Durie Hill elevator video surveillance Completing the review of Council bylaws Leading the Safer Wanganui collaborative Working towards achieving World Health Organisation Safe Community accreditation Supporting initiatives such as security patrols; Whanganui Violence Intervention Network; Youth Access to Alcohol Installation of a disabled persons access ramp at Sarjeant Gallery

Community Outcomes

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
3. A prosperous community	<ul style="list-style-type: none"> Economic opportunities 	<p>Infrastructure</p> <p>Strategy and development</p> <p>Property and facilities</p> <p>Corporate and governance</p> <p>Community and culture</p>	<p>Sea port</p> <p>Roading</p> <p>Airport</p> <p>CBD parking</p> <p>Economic development</p> <p>Property</p> <p>Parks and reserves</p> <p>Investments</p> <p>Community development</p> <p>Library</p> <p>Regional Museum</p> <p>Sarjeant Gallery</p>	<ul style="list-style-type: none"> Economic Development Strategy review Economic development initiatives Providing the community with resources to foster financial independence eg Fundview and BreakOut databases River Road seal
4. A well connected community	<ul style="list-style-type: none"> Connectivity Community networks 	<p>Corporate and governance</p> <p>Community and culture</p> <p>Property and facilities</p> <p>Infrastructure</p> <p>Strategy and development</p>	<p>Corporate management</p> <p>Community development</p> <p>Library</p> <p>Regional Museum</p> <p>Parks and reserves</p> <p>Roading</p> <p>Footpaths and berms</p> <p>CBD parking</p> <p>Airport</p> <p>Economic development</p>	<ul style="list-style-type: none"> Replacement and refit of Mobile Library in 2010/11 Replace Wyley's Bridge Develop a digital strategy and initiate programme to develop broadband capabilities and coverage Develop the community's capability for a digital future by establishing and maintaining key projects such as Computers in Homes and Aotearoa Peoples' Network Fitzherbert Avenue extension linking Mosston Road to Carlton Avenue

Community Outcomes

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
5. A community where people work together	<ul style="list-style-type: none"> Community networks 	<p>Community and culture</p> <p>Strategy and development</p> <p>Corporate and governance</p>	<p>Community development</p> <p>Library</p> <p>Regional Museum</p> <p>Economic development</p> <p>Strategy and policy</p> <p>Corporate management</p> <p>Governance</p>	<ul style="list-style-type: none"> Next Community Outcomes monitoring report 2010/11 Next 10-Year Plan 2012 Community Outcomes Review 2014 Developing and sustaining forums for community participation and action such as Older Peoples' Forum, Community Taskforce on Youth Wellbeing; Safer Wanganui Inter-Agency Group
6. A community with quality education	<ul style="list-style-type: none"> Quality educational opportunities 	<p>Community and culture</p> <p>Strategy and development</p>	<p>Community development</p> <p>Sarjeant Gallery</p> <p>Regional Museum</p> <p>Library</p> <p>Economic development</p>	<ul style="list-style-type: none"> Increased book collection at Library Opening of Gonville Library as a suburban library hub Wanganui Glass School Youth Projects Coordinator working closely with UCOL Initiatives such as "Underground" Youth Fashion Show; Computer Clubhouse
7. A community with well developed amenities and recreational opportunities	<ul style="list-style-type: none"> Quality and affordable housing in contemporary family neighbourhoods Access to recreational and cultural activities 	<p>Infrastructure</p> <p>Property and facilities</p>	<p>Wastewater</p> <p>Sea port</p> <p>Roading</p> <p>Footpaths and berms</p> <p>Community buildings and rural halls</p> <p>Swimming pools</p> <p>Parks and reserves</p> <p>Property</p>	<ul style="list-style-type: none"> Bason Botanic Gardens road sealing Springvale Park drainage improvement Promoting and improving the War Memorial Hall as a conference venue Environmental controls implemented at Sarjeant Gallery to protect collection The development of an image database for the collection and exhibitions at the Sarjeant Gallery via both in-house and external website Cooks Gardens athletics track replacement.

Community Outcomes

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
		Community and culture	Community development Sarjeant Gallery Regional Museum Library Royal Wanganui Opera House War Memorial Hall	
8. A community with identity	<ul style="list-style-type: none"> A good image and sense of identity 	<p>Property and facilities</p> <p>Strategy and development</p> <p>Community and culture</p> <p>Corporate and governance</p> <p>Infrastructure</p>	<p>Cemeteries</p> <p>Parks and reserves</p> <p>Central Business District maintenance</p> <p>Pensioner housing</p> <p>Economic development</p> <p>Strategy and policy</p> <p>Community development</p> <p>Sarjeant Gallery</p> <p>Regional Museum</p> <p>Library</p> <p>Opera House</p> <p>War Memorial Hall</p> <p>Governance</p> <p>Footpaths and berms</p>	<ul style="list-style-type: none"> Implementation of Wanganui's Family-friendly Strategy Supporting iconic events such as Whanganui Puanga/Matariki Festival, Wanganui Artists Open Studios, Wanganui Literary Festival and other cultural events Visitor Strategy implementation Working party to develop Wanganui's image and promotion Funding for three years for the Billy Webb Challenge Vero Car Rally 2012 Development of Wanganui's heritage collections through the Library

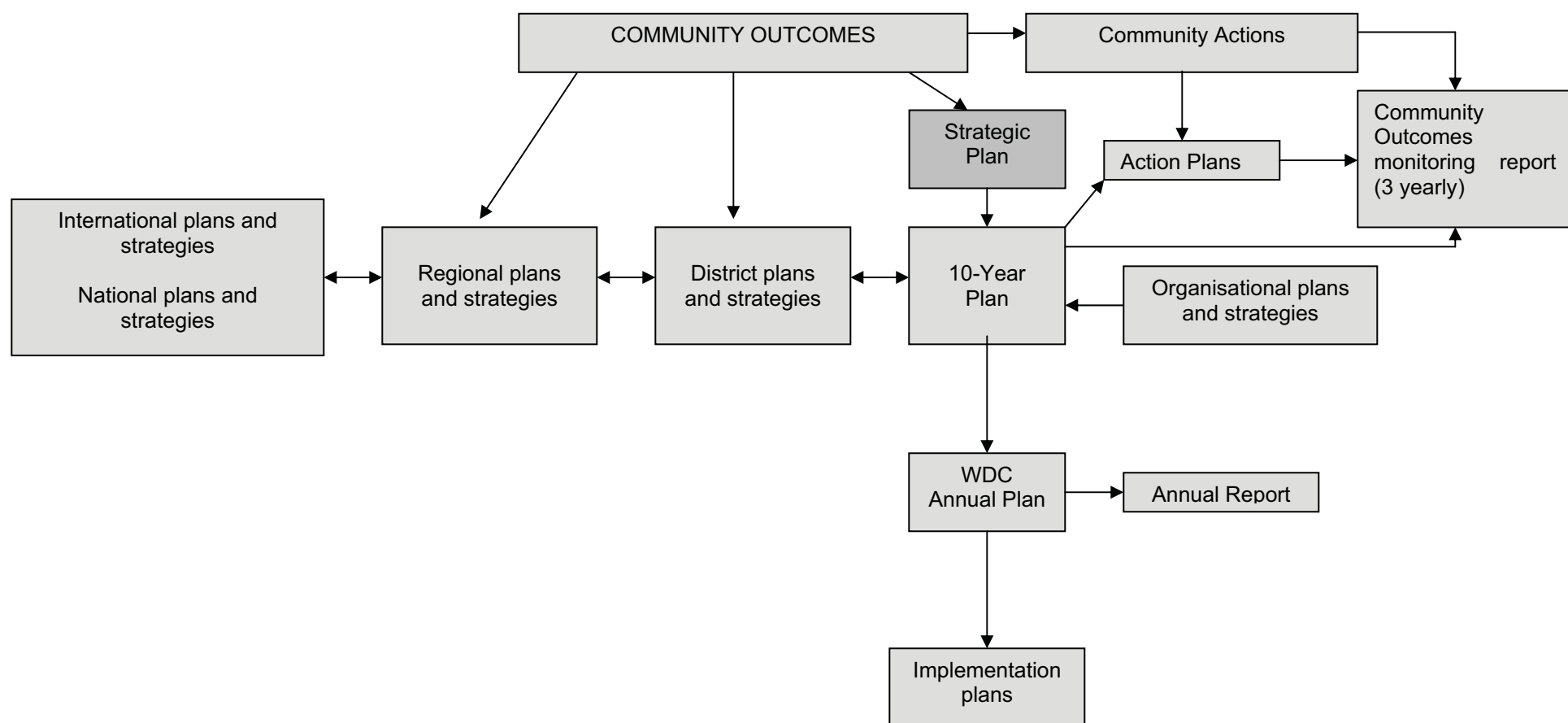
Community Outcomes

Community Outcome	Council's Family-friendly Strategy	Groups of activities	Activities that primarily contribute to the Outcomes	New projects/initiatives over the next 10 years
9. An environmentally sustainable community	<ul style="list-style-type: none"> Quality and affordable housing in contemporary family neighbourhoods 	<p>Infrastructure</p> <p>Customer services</p> <p>Property and facilities</p> <p>Strategy and development</p> <p>Community and culture</p>	<p>Waterways and natural drainage</p> <p>Roading</p> <p>Footpaths and berms</p> <p>Wastewater</p> <p>Waste minimisation</p> <p>Regulatory services</p> <p>Cemeteries</p> <p>Parks and reserves</p> <p>Strategy and policy</p> <p>Community development</p> <p>Regional Museum</p>	<ul style="list-style-type: none"> Support “sustainable community” initiatives such as community gardens, EnviroSchools Waste Minimisation Plan review Growth Strategy developed and integrated into District Plan Major review of the District Plan 2009-2013

Note: More information about Council's new projects/initiatives over the next 10 years can be found in the Introduction to this Volume under 'Key proposals'.

Community Outcomes

The relationship of the Community Outcomes to other strategic plans



Community Outcomes

Planning framework

The 10-Year Plan is an integral part of a wider planning framework. It is important that the 10-Year Plan is considered alongside other plans and strategies. There are different levels of strategy within the Wanganui District Council planning framework. Some examples are provided below. For further detail refer to the Wanganui District Council Planning Framework documentation.

Level of strategy/plan	Examples
International	Agenda 21 Kyoto Protocol
National	NZ Waste Management Strategy New Zealand Transport Strategy
Regional	Regional Coastal Plan and Policy Statement Regional Land Transport Strategy
District	District Plan Community Outcomes
Organisational	Organisation Plan Liability Management Policy
Implementation	Trading in Streets and Public Places Bylaw Asset Management Plans
Supporting organisation	Staff support procedures

How the Council will work with other organisations and groups

Key stakeholders have been identified as being able to contribute to the achievement of the Community Outcomes. The Council has existing relationships with some of those stakeholders including our Iwi partners (Tupoho and TamaUpoko), Police, Whanganui District Health Board, UCOL and Work and Income New Zealand, and intends to work with other stakeholders to develop a closer working relationship. It is anticipated that further stakeholders will be brought into the process.

As part of the action planning phase, key stakeholders in the economic, environmental, social and cultural areas were selected and requested to arrange and conduct consultation meetings with their stakeholders to assist identification and contribution towards Community Outcomes. Their agreement to the process for monitoring and reporting on progress has also been sought.

The Council has also liaised with Central Government ministries, departments and agencies to develop relationships, seek their buy-in to the process and contribution to improving the wellbeing of the Wanganui community.

The key local stakeholders identified as potential contributors for the various issues include:

Issue	Key stakeholders
Economy	New Zealand Trade and Enterprise, Chamber of Commerce, Wanganui Inc, Mainstreet Wanganui, Federated Farmers, Ministry of Social Development (Work and Income NZ)
Employment	
Education	Whanganui UCOL, Ministry of Education, Tertiary Education Commission

Community Outcomes

Safety	Wanganui Police, New Zealand Transport Agency
Housing	Housing NZ
Health	Whanganui District Health Board
Environment	Horizons Regional Council, Department of Conservation, Federated Farmers
Iwi	Tupoho and TamaUpoko
Maori	Te Puni Kokiri
Arts, culture and heritage	Ministry of Culture and Heritage, New Zealand Historic Places Trust
Sport and recreation	Sport Wanganui

Processes for monitoring progress and reporting achievements

Monitoring is the deliberate act of observation and surveillance over time with a defined purpose. The act of monitoring provides a mechanism to inform decision-making authorities about the consequences of actions, and changes in the environment, in order to determine the effectiveness and the need for further action.

Monitoring involves:

- selection of indicators
- data collection
- data analysis and interpretation
- data management
- reporting of results
- recommendations and review

For each outcome a number of monitoring indicators have been selected. They are a mixture of qualitative and quantitative indicators. Agreement to the indicators and measures has been sought from the key stakeholders

as part of the action planning process. These indicators and measures will be monitored and measured regularly to detect changes in a particular 'condition'.

Data collection, which is the actual physical gathering of information about a particular issue over time, will be undertaken regularly, depending on the availability of the data. The data will be analysed and interpreted for reporting progress back to the community at least once every three years.

Indicator data will be managed in an Excel spreadsheet. Actions will be managed through our Interplan database. Interplan will be used for monitoring and reporting on key performance indicators.

A report on progress toward the achievement of the outcomes, and the actions undertaken by the Council and other stakeholders that have contributed, will be produced. The original 2003 Community Outcomes were reported against in 2007. It is anticipated the 2008 Community Outcomes will be reported against in 2010.

Reviewing and revising monitoring procedures will be required to ensure the required outcomes are being met. Monitoring over time will confirm the appropriateness of the existing activities or it may identify the need to make changes in order to improve their effectiveness.

Additional information on monitoring and reporting will be included in the Council's monitoring strategy.

Table 4 shows the indicators and measures that will be used to monitor progress towards the achievement of the Community Outcomes.

Community Outcomes

Table 4 Indicators for monitoring progress towards the achievement of the Community Outcomes and Key objectives

Community Outcome	Key objectives	Indicators	Other key stakeholders to this process
1. A healthy community	<ul style="list-style-type: none"> Access for all to healthcare services Local health services are retained and enhanced Active recreational and sporting opportunities are promoted and provided for all people of all abilities 	<ul style="list-style-type: none"> Access to GPs Waiting time for access to hospital Number of health services not able to be provided locally Participation in recreational and sporting activities Numbers of recreational activities supported by active club structure 	<ul style="list-style-type: none"> Wanganui District Health Board Sport Wanganui Housing NZ
2. A safe community	<ul style="list-style-type: none"> Wanganui is a safe place, free from gangs Police capability within the district is increased Pavements and pedestrian crossings are safe for all abilities 	<ul style="list-style-type: none"> Reported crime levels by gangs Active number of gang members in Wanganui Public perceptions of safety Police numbers Satisfaction level with Police services and presence Reported injuries in relation to pavement and pedestrian crossings 	<ul style="list-style-type: none"> Wanganui Police New Zealand Transport Agency

Community Outcomes

3. A prosperous community	<ul style="list-style-type: none"> • Wanganui is known as being 'business friendly' • A strong workforce with training opportunities in all trades • Exciting employment opportunities for young people • A strong rural economy based around primary production and export • The port is developed to its full potential • Sustainable tourism is promoted along with iconic events 	<ul style="list-style-type: none"> • NZ Business Demography Statistics • Numbers involved in workforce training schemes • Unemployment rates for young people • Proportion of GDP from primary production • Tonnes per annum through port • Number of visitors to Wanganui • Number of events and participants 	<ul style="list-style-type: none"> • Ministry of Social Development/Work and Income New Zealand • Iwi • Te Puni Kokiri • New Zealand Trade and Enterprise • Chamber of Commerce • Mainstreet Wanganui • Federated Farmers • Wanganui Inc
4. A well connected community	<ul style="list-style-type: none"> • Well connected accessible pathways throughout the district • A well used, affordable and accessible public transport system both within the city limits and between cities • A safe interconnected transport network • Improved access to port, rail, air and roading networks • Excellent communication networks across the district • Supporting communities along the Whanganui River 	<ul style="list-style-type: none"> • Increase and upgrade of pathways • User views on connectedness • Average daily number of users using public transport • Public transport user views • Number of flights in and out of Wanganui • Recorded accidents and deaths • Broadband coverage • Perception survey of Whanganui River community on support 	<ul style="list-style-type: none"> • Whanganui District Health Board • Horizons Regional Council • New Zealand Transport Agency • Chamber of Commerce • Mainstreet Wanganui • Ministry of Education

Community Outcomes

5. A community where people work together	<ul style="list-style-type: none"> • A well governed district with positive leadership • Collaboration between community leaders • Community is empowered to participate in decision making • Inter-sector collaboration • Empowering all people to contribute to society 	<ul style="list-style-type: none"> • Public perception • Number of collaborative ventures • Level of voter turnout at local elections • Community involvement in decision-making • Volunteer numbers locally 	<ul style="list-style-type: none"> • Iwi • Te Puni Kokiri
6. A community with quality education	<ul style="list-style-type: none"> • Quality education choices for all • Education targeted towards local employment needs 	<ul style="list-style-type: none"> • % of educational attainments • Number of school types for all • Gateway opportunities 	<ul style="list-style-type: none"> • Ministry of Education • Whanganui UCOL • Tertiary Education Commission
7. A community with well developed amenities and recreational opportunities	<ul style="list-style-type: none"> • Development of activities and facilities for young people • Promotion of community and cultural facilities • Promote high levels of participation in our sports and recreational facilities • Provide cultural and sporting facilities and services that sustainably meet the needs of the community 	<ul style="list-style-type: none"> • Youth perceptions of Wanganui • Community satisfaction with Council facilities • Level of usage in cultural facilities • Levels of participation in sport and recreational activities • Community satisfaction with cultural and sporting facilities and services 	<ul style="list-style-type: none"> • Sport Wanganui • Ministry of Culture and Heritage • NZ Historic Places Trust
8. A community with identity	<ul style="list-style-type: none"> • To foster Wanganui's unique identity and image in a positive way • Residents take pride in and visitors value Wanganui's rich heritage, culture and amenity values • Maori culture is valued and 	<ul style="list-style-type: none"> • Perceptions of Wanganui • Visitor numbers • Number of heritage and cultural sites preserved • Attendees at cultural celebrations • Perception survey of youth • Number of events run for young people 	<ul style="list-style-type: none"> • Iwi • Te Puni Kokiri • Ministry of Culture and Heritage • NZ Historic Places Trust

Community Outcomes

	<ul style="list-style-type: none"> celebrated Wanganui is an exciting place for youth Wanganui is a great place to live for all people 	<ul style="list-style-type: none"> Perceived quality of life survey 	
9. An environmentally sustainable community	<ul style="list-style-type: none"> Sustainable and efficient use of the district's resources Preserving the natural environment particularly the coastline, Whanganui River and hinterland 	<ul style="list-style-type: none"> Water and energy use per person % of eroding land Continued existence of endangered plants and invertebrates River water quality Area of coastal dune in natural condition Quantity of waste diverted from landfill 	<ul style="list-style-type: none"> Department of Conservation Iwi Te Puni Kokiri Horizons Regional Council Federated Farmers

Wanganui today – statistical information

Wanganui

In looking to the future we must acknowledge our journey to the present point. This involves a consideration of our demographic make up, our district and our opportunities for future growth; in essence - our people, our place and our potential. Understanding how these elements combine to categorise our special nature is necessary to plan for future growth and enables us to monitor our journey towards achieving Wanganui's goals.

Council serves a critical role in this process. Knowing the ways in which growth may occur, and accepting measures to direct positive change, is a principal Council function. In order to illustrate the Wanganui story, this is an overview of our journey to date.

Located on the North Island West Coast, the Wanganui district covers 2337 sq km, the majority of which is hill country, with a narrow coastal strip of better land.

The Whanganui River is at the heart of the Wanganui district. It is the second largest river in the North Island, the longest navigable waterway in the country and covers 290 kilometres from the heights of Mt Tongariro to Wanganui's coast with the Tasman Sea. It provides a number of recreational activities and has 239 listed rapids.

The district is home to approximately 42,600 people, with most living in the Wanganui urban area (37,000) and 5,600 on farms and in a number of small rural settlements.

The district provides a number of cultural and recreational points of interest including the architecturally significant Sarjeant Gallery, the fully restored turn of the century Waimarie paddle steamer and New Zealand's first wooden cycling velodrome.

The city is a service centre for an area wider than the district boundaries, and also supports economic activities unrelated to agriculture.

Economy today

The economy is currently in recession, international financial markets are in turmoil and both Treasury and bank projections forecast rapidly rising unemployment. All of these macro-economic and geo-political issues will impact upon Wanganui and our local economy.

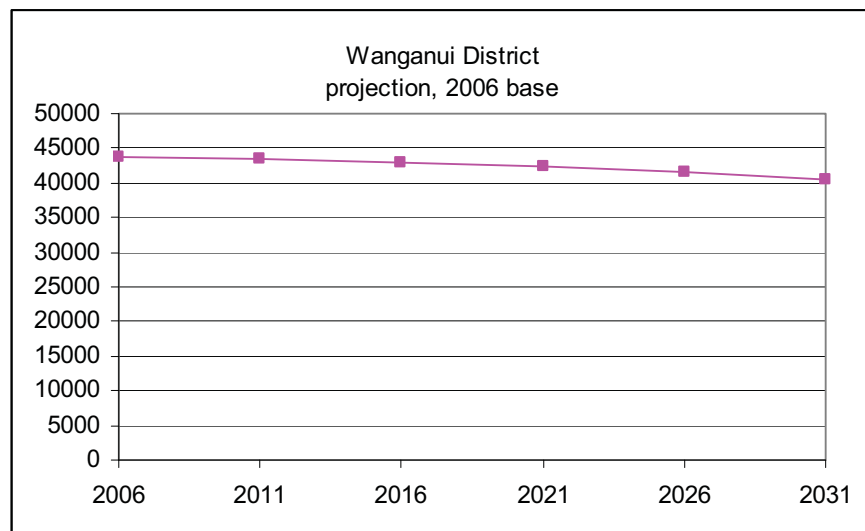
Wanganui, based on current economic indicators, appears less affected than other districts by the national recession.

Demographics

Census 2006 showed a decline in population between 2001 and 2006 of 633 people (-1.5%), but a gain of 333 dwellings (2%). This reflects the long-term national trend of decreased numbers of occupants per dwelling.

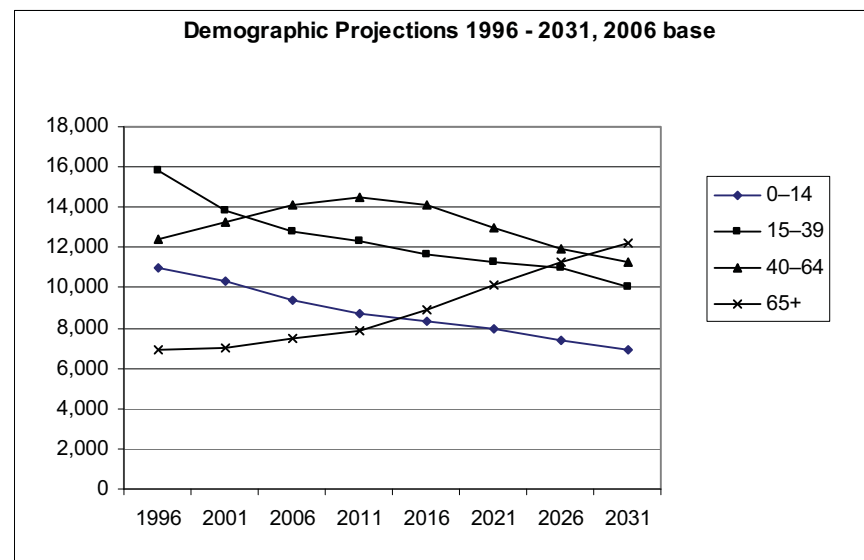
Statistics New Zealand population projections, based on current circumstances, are that the total population will decline by 3400 (7.8%) by 2031. This will be the result on net outward migration exceeding natural increase, although after the early 2020s deaths are projected to exceed births. Only the western area units of Blueskin and Maxwell are expected to have significant population growth.

Wanganui today – statistical information



While official projections are for declining population, household growth is expected. In general terms this equates to an annual increase of 0.4% or 70 new household units per year.

Population aging is occurring, with the 15 to 39 age bracket down 3000 (22%) between 1996 and 2006, and the 65+ up 600 (9%). A further 22% decline in ages 15 to 39 is projected by 2031, and a 63% increase in 65+. The median age is expected to increase from 39.5 in 2006 to 47.1 in 2031.



A recent lift in the number of births is not expected to significantly alter these trends unless it is sustained and net outward migration is reduced or reversed.

Our potential

Wanganui's stable workforce, temperate climate and ease of access to all transportation networks has attracted a variety of commercial industries, including light manufacturing, heavy engineering, agriculture, food processing and tanning. However, education, health and service industries are also significant economic players. In addition, Wanganui has undergone development in order to support a primary production hinterland.

Ongoing innovation and marketing, including the encouragement of business relocation to Wanganui, is illustrated by the number of industries that are expanding, our continually evolving employment opportunities and the changing face of the Central Business District.

Wanganui today – statistical information

Council is proposing a promotional levy to be applied to every commercial, farming and residential ratepayer and made available for promoting and marketing Wanganui as a desirable place to live, do business and visit. This would generate approximately \$180,000 per annum for image-building and promotion.

Specific Wanganui-driven growth initiatives are pegged to drive further expansion. Current projects include:

- The creation and servicing of the Westbourne Industrial Zone. This is successfully marketing Wanganui to industries that have a choice of cities in which to locate.
- The development of a 'student precinct' in the Bridge Block area. This will focus tertiary education provision, including student accommodation, to a single neighbourhood and will contribute to the regeneration of this area.
- New dairy factory.

Council's establishment of a long-term economic development strategy, in partnership with key wealth generators, is a further measure to enhance social and economic wellbeing. This will focus on the removal of barriers for businesses looking to expand or relocate to Wanganui.

Wanganui's economic indicators –

- New vehicle registrations have generally been declining from the high of 2005. However, in the December 2008 quarter, Wanganui bucked the national downward trend by increasing new registrations by 28%.
- Average house sale prices rose a record 110% since 2004. They appear to be holding with the January 2009 median sale prices up slightly by 1.5% on same month previous year. Forecast is that house prices are likely to drop by more than 11% over the next two years. The number of houses selling is also falling.
- The number and value of building consents eased in 2008 although they were still higher than in the late 1990s and early 2000s.

- The number of people receiving the unemployment benefit has risen slightly during the year as has the number receiving invalid benefits.
- Job advertisements in the December 2008 quarter were down 27% on the same quarter previous year.
- December quarter retail sales were down 6% on same quarter previous year, while NZ as a whole were down 1.5%.

Total beneficiaries as at January 2009:

DPB	1,662
Invalid	1,500
Unemployment	755
Sickness	690
Superannuation	8,106
Total	12,713

Family-friendly Wanganui

This current Council is determined to reverse Wanganui's population decline, and re-establish the city and district to national prominence.

To that end, it has adopted a family-friendly strategy, instituted a ground-breaking Council-community partnership and created new amenities and facilities. We have determined that the best way to attract both new people and new enterprises to Wanganui is to deliver an enhanced and affordable quality of life.

Council adopted as its vision in August 2008 - "Family-friendly Wanganui – the preferred place for my family home where the community enjoys:

1. Economic opportunities
2. A good image and sense of identity
3. Safe community
4. Good health care services
5. Connectivity
6. Community networks
7. Quality educational opportunities

Wanganui today – statistical information

8. Quality and affordable housing in contemporary family neighbourhoods
9. Access to recreational and cultural activities”

Council adopted a Family-friendly Strategy to assist progress towards meeting its vision which in turn will assist in encouraging families to live in and visit Wanganui.

The advantages of living in Wanganui, as noted by Wanganui residents, generally include:

- The size of the city, particularly as this enables ease of access
- The friendly nature of residents and the sense of community
- The temperate climate
- The quiet pace of life
- The excellent range of facilities and amenities available
- Our central geographic location
- Our housing affordability
- The relative low cost of living

Significant developments

Wastewater project

Progress on Wanganui's wastewater project is continuing. The basic features of this scheme are:

- Full separation into separate sewers and stormwater drains, both on and off private property.
- An interceptor system to convey separated sewage and industrial tradewaste (together) to the Beach Road pump station for screening.
- From 1 July 2007, the screened sewage and tradewaste has been pumped to the wastewater treatment plant adjacent to Wanganui Airport and the treated effluent disposed of to the outfall.
- Stormwater is discharged to the river.

The treatment process consists of deep aerated lagoons followed by UV disinfection.

Key project milestones include:

- | | |
|--|-------------|
| • Wastewater treatment plant operational | 1 July 2007 |
| • Public separation upstream Cobham Bridge | 1 July 2007 |
| • Private separation completed | 1 July 2008 |
| • Public separation completed | 1 July 2010 |
| • Consent expires | 2026 |

Land use

Wanganui's current land use demands are detailed in the Wanganui Urban Growth Strategy Review.

The majority of new development has been concentrated in the St Johns Hill/Otamatea area, with secondary growth near the western end of Springvale Road.

The review also illustrates that, for the most part, Wanganui's major industries do not intend to undertake significant future expansion that would affect District Plan provisions or require further infrastructure. However, there is available land for future industrial and commercial development, principally through:

- Westbourne Estate – this site provides potential greenfield locations for heavier industries without transferring effects to other sensitive land users, such as residential properties.
- The redevelopment of existing underused or unused industrially zoned sites, particularly at Eastown and Aramoho.
- The redevelopment of existing light industrial areas, for example Balgownie.
- The redevelopment of key commercial sites to big box retail developments.

Wanganui today – statistical information

Snapshot of Wanganui			
Area	2,337 square kilometres		
Resident population (2008)	42,600 (provisional estimate)		
Population % change 2001/2006 Census	-1.5%	Population % change 1996/2001 Census	-3.9%
Number of occupied dwellings (2006)	17,124	% change occupied dwellings 2001/2006	2.0%
Rateable properties (as at July 2008)	20,360	Average residential rates (2008/09)	\$1,636
Number of Superannuants (September 2008)	8,192	Superannuants as % of population (September 2008)	19%
Percentage of population in area units of deprivation index deciles 8 to 10 (2006)	49.7% 29.6% (NZ)	Percentage of Maori in area units of deprivation index deciles 9 and 10 (2006)	60.4% 42% (NZ)
Average median house price (2008)	\$210,915 \$386,582	Median personal income (2006)	\$19,800 \$24,400

Snapshot of Wanganui			
Family composition (2006)		Ethnic make up (2006)	
Couples with child(ren)	35% (Wanganui) 42% (NZ)	European/New Zealander	85% (Wanganui) 79% (NZ)
Couples without child(ren)	41% (Wanganui) 40% (NZ)	Maori	22% (Wanganui) 15% (NZ)
One parent with child(ren)	25% (Wanganui) 18% (NZ)	Pacific peoples	2% (Wanganui) 7% (NZ)
		Asian	2% (Wanganui) 9% (NZ)
		Note: Multiple ethnic responses recorded, therefore totals exceed 100%	

Wanganui's future – Family-friendly Wanganui

Council's vision

Family-friendly Wanganui - the preferred place for my family home where the community enjoys:

1. Economic opportunities
2. A good image and sense of identity
3. A safe community
4. Good health care services
5. Connectivity
6. Community networks
7. Quality educational opportunities
8. Quality and affordable housing in contemporary family neighbourhoods
9. Access to recreational and cultural activities

Council's mission

To make Wanganui an attractive place for families and to ensure a quality of life for all.

Council's values

- **Leadership** – to provide leadership for the community and to advocate on its behalf
- **Community stewardship** – to effectively and efficiently manage community facilities and resources
- **Participatory democracy** – to consult with the community to identify needs and determine priorities for allocating resources
- **Regional cooperation** – to work with our regional partners
- **Accountability to ratepayers** - to balance the provision of services with the community's ability to pay

Council's strategic direction

Council aims to take a sustainable development approach in promoting the wellbeing of the community. This means Council will promote development which meets the needs of present generations without compromising the ability of future generations to meet their own needs.

For communities to flourish they need a secure livelihood, a safe and healthy environment, happiness and fulfilment.

The four dimensions of community wellbeing include social, economic, environmental and cultural and are defined as:

Social wellbeing: relates to education, health, financial and personal security, the strength of community networks and associations, rights and freedoms and levels of equity.

Economic wellbeing: relates to the ability of the economy to generate the employment and wealth which enables communities to afford the goods and services they desire.

Environmental wellbeing: relates to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural wellbeing: relates to the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies, heritage and sports.

Wanganui's future – Family-friendly Wanganui

Strategies

1. Economic opportunities

- Identify and develop economic development initiatives
- Improve business and industry growth, investments and performance
- Facilitate training and education opportunities
- Promote and support the tourism sector/Regional Tourism Organisation functions
- Promote and support events
- Encourage and support the uptake of technology that assists economic development

2. A good image and sense of identity

- Undertake research aimed at attracting families
- Promote the quality of life in Wanganui – climate, travel benefits, family-friendly policies
- Improve the look of the city
- Facilitate a strong sense of identity, belonging and community

3. A safe community

- Obtain World Health Organisation accreditation as a safe district
- Take a zero tolerance approach on gangs
- Take a zero tolerance approach on antisocial behaviour
- Provide a safe transportation network

4. Good health care services

- Advocate for retention of full hospital services
- Assist with the recruitment of obstetricians, paediatricians and midwives

5. Connectivity

- Facilitate good urban design
- Facilitate the provision of digital infrastructure to support families, schools and businesses
- Provide pathways to ensure safe cycling and walking routes particularly to schools and Central Business District
- Provide an efficient transportation network to residents and promote economic development

6. Community networks

- Develop community partnerships
- Support communities to establish community networks and support structures
- Support children and youth programmes
- Value older people in our community
- Continue to build strong relationships with Iwi
- Maximise the potential for ethnic diversity

7. Quality educational opportunities

- Encourage schools to adopt family-friendly policies
- Promote quality schools and preschools
- Facilitate and support tertiary educational opportunities to attract youth to Wanganui

8. Quality and affordable housing in contemporary family neighbourhoods

- Collaborate on healthy housing initiatives
- Ensure District Plan zoning and rules advance family-friendly interests
- Encourage environmental sustainability of neighbourhoods

9. Access to recreational and cultural activities

- Provide and maintain parks, recreational and sporting amenities and facilities that meet the needs of all age groups and abilities
- Recognise and value our points of difference around sports, arts, culture and heritage
- Encourage development of a vibrant Central Business District - shops and cafe scene, riverfront development

Council controlled organisations

Section 6 of the Local Government Act 2002 (the Act) defines a council controlled organisation (CCO) and Schedule 10 of the Act requires the following disclosures to be made in relation to each CCO.

Wanganui District Council Holdings Limited

Wanganui District Council Holdings Limited (WDCHL or the Company) was formed in March 2002 to provide a commercial overview to the Council's investment portfolio. The Company is 100% owned by Wanganui District Council (the Council). It owns 100% of the shares in Wanganui Gas Limited (WGL) which has two subsidiaries – GasNet Limited and Energy Direct New Zealand Limited and provides a monitoring service to Council for the following activities:

- Investment properties
- Wanganui District Councils' Forestry Joint Committee
- Wanganui Airport Joint Venture (WAJV)
- Wanganui Inc (WINC)

Key performance targets

WDCHL's intended performance targets for the planned period are:

- To make a profit of \$20,000
- To facilitate WGL to achieve the performance targets identified in its Statement of Intent

Council policies and objectives relating to CCOs

Council does not have any significant policies in regard to ownership and control of the organisation. Council has a policy on the appointment and remuneration of directors, which is available on request.

Company objectives

The Board intends to operate as a successful business in relation to its investments to the monitoring roles assigned to it under contract by the Council.

The Company aims to improve the long-term value and financial return that Council receives from its trading undertakings:

- Optimising financial and physical resources through close scrutiny of potential areas of inefficiency, waste or under-utilisation of capital.
- Providing prudent management of investments and timely, constructive professional advice regarding its position as shareholder in WGL, and any other subsidiary companies or undertakings.
- Meeting the expectations of Council for quality, competitively priced strategic planning advice on investments and trading undertakings.
- Reviewing and advising on the strategies and plans of any subsidiary company, business unit or asset as requested by Council.
- Being a good corporate citizen and exercising the appropriate level of social responsibility toward the community and the environment, consistent with the conduct of a sustainable and profitable business.

Nature and scope of activities to be undertaken by the Company

The Company's business will primarily be to hold shares in WGL and other subsidiaries or undertakings transferred to the Company, to provide strategic planning advice to Council when required and to undertake such other matters as shall be determined by the Board, in conjunction with the Council.

WGL and its two subsidiaries GasNet Limited and Energy Direct New Zealand Limited are not CCOs according to section 6 of the Act as they are energy companies.

Wanganui Airport Joint Venture (WAJV)

The Joint Venture Airport is a 50/50 joint venture between Wanganui District Council and the Crown. It has been operating the Wanganui Airport since the late 1950s. Part of the financial information is included within the main financial statements of the Council under Minor transport. Under the Act, it is a CCO.

Council controlled organisations

Council policies and objectives relating to CCOs

Council does not have any significant policies in regard to ownership and control of the organisation. Council has a policy on the appointment and remuneration of directors, which is available on request.

WAJV objectives

WAJV's primary objectives are to:

- Provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations in line with the size of Wanganui Airport.
- Operate the airport in a sound and business-like manner.
- Improve the long term value and financial performance of the airport while improving the economic value of the airport to Wanganui.

Nature and scope of activities

- The airport provides takeoff, landing, ground handling and passenger terminal facilities for scheduled airline services.
- It also provides a base for commercial, training and recreational aviation activity.
- The ongoing development of aviation and associated service and infrastructure is subsequently intended to support activity, business and employment.

Key performance targets

The Board's forecast performance targets for the next three years are:

- Reduction of the current loss position to 'break even' or to a level acceptable to the partners in the light of the CCO's economic value to Wanganui.
- Compliance with all aspects of Part 139 of the Civil Aviation Rules with a minimum of one requirement per inspection.
- Delivery of a business plan and subsequent achievement of the individual targets outlined within that plan.

Wanganui Inc

The objective of Wanganui Inc (WINC) is to assist in the co-ordination of economic development and promotional agencies in Wanganui. Previously, WINC was responsible for delivering Council's Economic Development Strategy. This role is now being undertaken by Council's Economic development activity.

The organisation's objective is to obtain funding for economic development that the Council may be unable to access itself.

Council policies and objectives relating to CCOs

Council does not have any significant policies in regard to ownership and control of the organisation. Council has a policy on the appointment and remuneration of directors and trustees, which is available on request.

Key performance targets

A contract will be established to cover a mix of performance measures. This will include outcomes such as the removal of barriers identified in the Economic Development Strategy, communication with Council and the broad economic performance of the district's economy. General economic performance will incorporate Gross Domestic Product (GDP), employment, visitor numbers and outputs such as Government funding for community projects and the delivery of programmes that support the Wanganui business community.

Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust

Objectives

The promotion and implementation of regional development initiatives that may be identified by the Trustees, or the community generally, that benefit communities within NZ, and primarily within the territorial authority districts of Ruapehu, Wanganui and Rangitikei by:

- Promoting and implementing initiatives to ensure economic and employment growth within these regions, or

Council controlled organisations

- Promoting and implementing initiatives to ensure economic growth may be achieved through better land development and land utilisation by the communities within the regions, or
- Promoting and implementing initiatives to ensure economic growth may be achieved by improving the region's presence in the visitor industry, or
- Promoting and implementing initiatives to ensure workforce and infrastructure preparedness for economic growth
- Provide that any private benefit conferred on any individual is only incidental to these overriding charitable objects

Council policies and objectives relating to CCOs

Council does not have any significant policies in regard to ownership and control of the organisation. Council has a policy on the appointment and remuneration of directors, which is available on request.

Nature and scope of activities

- The Trust's core business is in the provision of support to the business community, particularly through the development of programmes and services that result in the removal of barriers to Wanganui's growth and opportunities from collaborating with neighbouring districts.
- In addition, the Trust's focus will be on partnering with central and local government to ensure funding is aligned with long-term strategic planning.
- In carrying out these activities, the Trust will strive for the efficient utilisation of its resources and capital assets.

Cooks Gardens Trust Board

The Cooks Gardens Trust Board was initially established to undertake the development of Cooks Gardens including construction of a new all-weather athletics track, a new velodrome and a new grandstand. With the community investment in this facility, Council believes the use of the facility should be as high as possible while not causing excessive wear or damage to the assets.

Cooks Gardens is a premier sporting facility and the Trust has met the Council objectives of developing the facility and increasing its use.

The Cooks Gardens Trust Board has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

Whanganui River Enhancement Charitable Trust

The purposes of the Whanganui River Enhancement Charitable Trust are to promote the enhancement of the quality of the waters and catchment of the Whanganui River; to encourage other parties to promote the enhancement of the quality of the waters and catchment of the Whanganui River; to make funds available to allow river enhancement projects (social, economic and environmental) to be undertaken; to contribute to public education about the health and wellbeing of the Whanganui River; and to assist in the education of students engaged in full-time tertiary study, where that study is relevant to the Whanganui River.

Although Council appoints two of the six Trustees (two also appointed by Ruapehu District Council) they do not exercise significant influence over the Trust. Genesis contributes all revenue, and provides management and accounting personnel. The life of the Trust is linked to the resource consents of Genesis's Tongariro Power Development.

The Whanganui River Enhancement Charitable Trust has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

The Sarjeant Gallery Trust

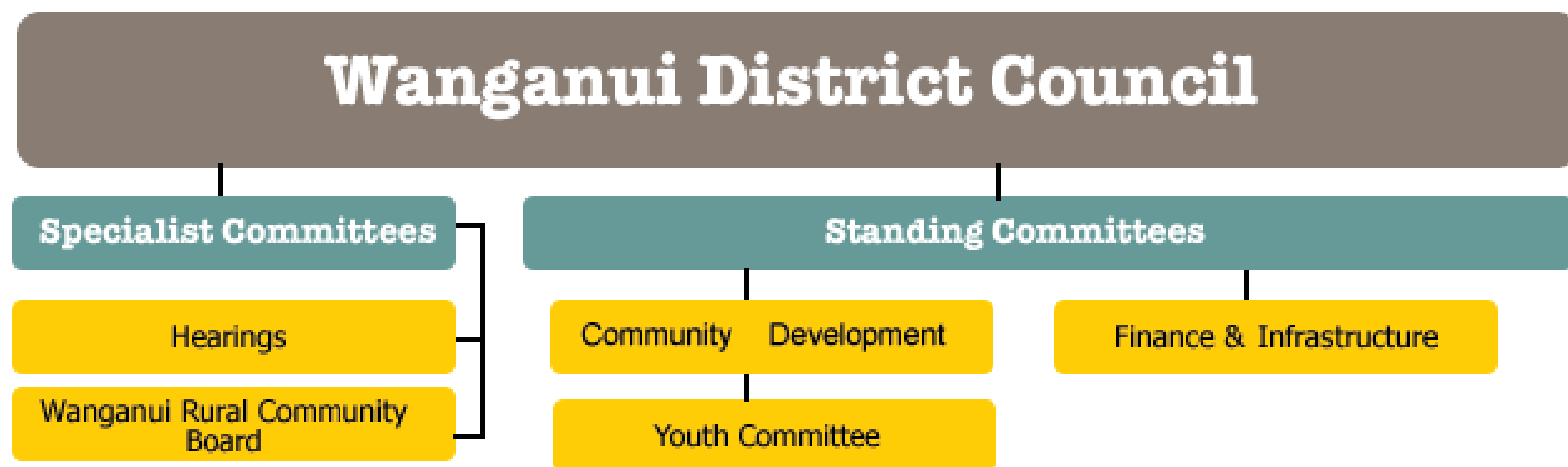
The Sarjeant Gallery Trust has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

Council controlled organisations

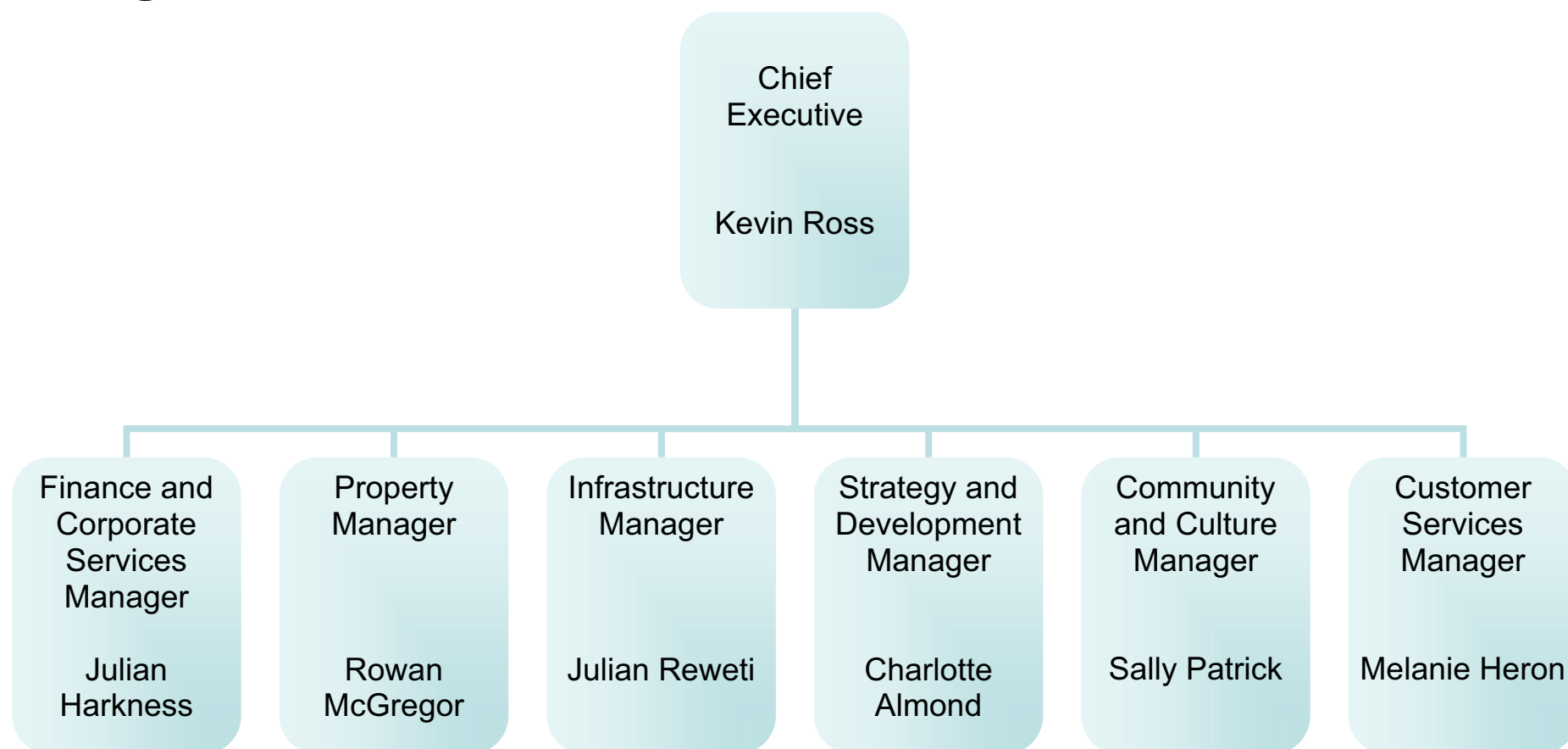
Proposed CCO for general Council opportunities

Council intends to investigate creating a generic CCO which could be used to seek funding opportunities from a range of external organisations.

Governance structure



Management structure



Contributions to decision-making processes by Maori

1. The Council will continue to operate the system of six-weekly meetings with both Te Runanga O TamaUpoko and Te Runanga O Tupoho. These provide a means for Tangata Whenua to influence Council decision-making. Both groups are committed to representing the views and issues of the wider Maori community.
2. Both of the mechanisms in a) above are means of fostering the development of Maori capacity to contribute to decision-making. They are also available as required for the discussion and advancement of means of fostering this development.
3. The two systems of meetings will usually generate 16 meetings per year in total. Additional meetings will be held with particular groups as required to address specific issues which may arise.
4. The above meeting systems are the primary means of providing information to the Maori community.

Water and Sanitary Assessment summary

Foreword

Council adopted its first Water and Sanitary Assessment in December 2005. Prior to commencement of this LTCCP 2009/19, Council engaged OPUS International to provide a preliminary assessment whether the Water and Sanitary Assessment, as adopted in 2005, was still appropriate.

They concluded that there had been no significant change to the 2005 assessment apart from some legislative updates and that this insignificant change did not warrant a full review at this stage.

The following is a summary of the 2005 Water and Sanitary Assessment.

1. Statutory responsibilities

1.1 Local Government Act 2002

Part 7 of the Local Government Act 2002 (LGA) places responsibilities on local authorities to perform assessments of water and sanitary services throughout their districts. The principal objective is to ensure public health is protected. A secondary objective is the protection of the environment. The first assessment was due on 30 June 2005.

The Water and Sanitary Assessment required by section 125 of the Local Government Act 2002 was completed and approved by Council for consultation on 27 June 2005. The submission period closed on 11 August 2005 and the submissions were heard by the Infrastructure Committee on 19 October 2005. The Assessment was adopted by the Council on 12 December 2005.

The Draft Report was completed and publicly notified on 16 July 2005. Thirteen submissions were received and the issues raised included the health and environmental risks associated with poorly performing septic tanks; the desire to connect to the city's wastewater and water supply reticulation system; the problem of hard water; and minor changes to the document in order to provide more accurate information.

Key issues and actions arising from consultation

Issue: Ngatarua Road, Pungaharuru Place and Putiki Drive requested a reticulated sewerage system to replace their septic tank systems.

Action: A sewer servicing plan is to be developed for Putiki.

Issue: Hard water.

Action: This problem was included in *Referendum '06* with 74% voting for the Council to investigate water softening.

Issue: Poorly performing septic tanks close to the city.

Action: A sewer servicing plan is to be developed for Shakespeare Road, Georgetti Road and the non-reticulated Mt View Road.

Issue: Water supply issues and poorly performing septic tanks on Longbeach Drive.

Action: Water issues have generally been addressed (via Harrick's subdivision), with some pressure logging to be completed during 2006/07 year.

Issue: Community opposition to the disposal of stormwater into Virginia Lake.

Action: Solutions to stormwater separation and disposal are currently being assessed.

The LGA required an assessment of:

- water supply (drinking water)
- wastewater services
- stormwater
- cemeteries
- crematoria
- public toilets
- waste disposal

Water and Sanitary Assessment summary

The scope of the assessment covered:

- The quality and adequacy of drinking water and the extent to which this is potable.
- The quality and quantity of wastewater and stormwater discharge and adequacy of the disposal systems.
- The quality and adequacy of sanitary services provided within the district.
- The risks to public health and the environment from the absence in any area of the district of reticulated water supply or wastewater disposal service.
- The range of options available to protect public health and the environment taking into consideration both current and future demand.
- The local authority's intended role in meeting the forecast demand.

1.2 Health Act 1956 and new Health (Drinking Water Supplies) Amendment Act

Local authorities also have a responsibility under the Health Act 1956 to protect public health. Under the LGA the local authority must take account of its duties under the Health Act.

The new Health (Drinking Water Supplies) Amendment Act requires all water suppliers to meet national water standards and develop risk management plans.

2.0 Wanganui district communities

2.1 Community definition

The word 'community' has many meanings in the LGA and other legislation. The LGA does not clearly specify the definition of a community. A 'community' in terms of Part 7 is a community that is usefully identified for the purpose of making a satisfactory assessment of water and sanitary services. The only criteria noted is that the assessment does not need to go down to individual property level.

Critical to the identification of communities within Wanganui district is the ability to be able to consult with the residents of the community and also to identify growth and, therefore, future demand for services within that community.

Therefore, population centres receiving reticulated services were defined as communities for assessment.

The balance of the district population without reticulated services was grouped in terms of resident numbers, using the Drinking Water Standards for New Zealand criterion for a community of 25 persons resident for more than 60 days as a yardstick.

The communities thus defined are listed in the following table.

For the purposes of the assessment of sanitary services the whole of the Wanganui district was defined as the community.

Table 1: Communities

Community	Reticulated Y/N		
	Water Supply	Wastewater	Stormwater
Wanganui city	Y	Y	Y
City supply – extraordinary connections/restricted services	Y	N	N
Westmere/Brunswick	Y	N	N
Mowhanau	Y	Y	Y
Maxwell	Y	N	N
Fordell	Y	N	N
Arles Well	Y	N	N
Kaitoke Prison	Y	Y	Y
Putiki (South)	Y	N	N
Wanganui Airport	Y	N	Y

Water and Sanitary Assessment summary

Marybank	N	Y	Y
Army Landguard Bluff	Y	N	N
Rural schools, pre-schools, Kohanga Reo	N	N	N
Rural marae	N	N	N
Industrial communities (with Building Act and resource consent requirements)	Y	Y	Y
Rural camps	N	N	N
Okoia poultry processors	Y	N	N
Unserviced limited population	N	N	N

2.2 Growth areas

The communities likely to experience growth in the future are:-

- Extraordinary connections/restricted services
- Mowhanau
- Westmere/Brunswick

Subdivisions in these communities are larger or more frequent than in other parts of the district. In particular, the community entitled 'Extraordinary Connections/Restricted Services' is currently experiencing, and will most likely continue to experience, considerable growth. This community is mostly on the fringes of the city to the north of Castlecliff and to the west of North Castlecliff. North Castlecliff is likely to see the highest increase in dwelling numbers.

Recent medium to large-scale subdivisions and a possible re-zoning proposal for this area, along with an increase in demand for properties near the coast, are the reasons for this expected growth. The areas of land fringing the city present good greenfield opportunities for developers.

Mowhanau is likely to experience growth due to its coastal location not far from the city centre. Recent and proposed medium-sized subdivisions indicate a demand for land in this locality. A considerable amount of land is still available for subdivision.

Demand for land in Westmere/Brunswick is high (indicated by the current property prices). However, demand in this locality is for lifestyle blocks rather than residential-sized sites. Any provision for services should reflect this rural nature. There remains potential for growth. However, the area will continue to be rural.

3.0 Summary of issues

3.1 Adequacy of information

The draft report provided a description and assessment of the adequacy, in terms of quality and quantity, of the services available for the communities identified.

The information contained in the report was obtained by referencing Council's Asset Management Plans, Strategic Plans, Annual Plan, 10-Year Plan and District Plan. Informal consultation was conducted with:

- A large cross-section of Council staff
- The Medical Officer of Health
- Department of Conservation – Anita Middlemass
- Ministry of Education – Leon Carter
- Horizons Regional Council – Rob Ellis and resource consent officers
- Army – RSM
- Genealogical Society – June Springer
- Opus staff from other offices working on Council projects (e.g. Kaitoke Prison and Mowhanau Sewerage Scheme)

Note – Section 129 of the LGA requires information to be provided having regard to:

- The significance of the information.
- The costs and difficulty in obtaining the information.

Water and Sanitary Assessment summary

- The local authority's resources.
- The possibility that the local authority may be directed under the Health Act to provide the services.

The report is the result of our best endeavours to obtain full and accurate information, but there are information gaps. Some of the documents referenced are out-dated and the information may not be completely accurate.

In particular, there were deficiencies in our knowledge of the systems at rural camps, rural schools and rural marae. These deficiencies were addressed during the formal consultation process and at subsequent assessments.

Actions

- 3.1a Commit to continual improvement of the assessment and complete a review by 30 June 2006 in conjunction with review of the 10-Year Plan.

3.2 Reticulated water supplies

3.2.1 General

No outbreaks of disease or illness have been directly attributed to Wanganui city water supply as the sole cause, nor a contributory cause. The submission from the Ministry of Health did not raise any real concerns in terms of the potential health impacts arising from stormwater and sewage discharges.

3.2.2 Wellhead security

With the exception of Ranana Marae, all reticulated water supplies source their water from bores. However, many of these do not have verified 'secure' status in terms of the draft 2005 Drinking Water Standards for New Zealand. A 'secure' wellhead is one that incorporates appropriate measures to prevent or minimise ground water contamination. A 'secure' wellhead means, in theory, that the water does not require treatment, although suppliers will still

chlorinate 'secure' water to provide residual protection in the reticulation.

Note – Some consumers with 'extraordinary connections' to the Kai Iwi trunk main receive raw water.

A comparative risk assessment has been undertaken across all unreticulated communities as opposed to an absolute risk assessment. The full report is available on the Council's website www.wanganui.govt.nz and details this process on pages 80 and 81.

Actions

- 3.2a Ensure adequate monitoring programmes are in place and other evidence is gained to validate security of all bore supplies in terms of the draft 2005 Drinking Water Standards for New Zealand within 12 months.
- 3.2b Do not commit to additional protozoa treatment regimes for bore supplied schemes until groundwater security is proven. This does not eliminate the need for chlorination or for monitoring programmes to establish bacteriological compliance.
- 3.2c Identify service connections that require backflow prevention.
- 3.2d Continue reticulation upgrades.

3.2.3 Proposed drinking water legislation

The proposed Health (Drinking Water Supplies) Amendment Act (HDWSAA), due to be passed this year, will make compliance with the Drinking Water Standards for New Zealand (DWSNZ 2005) mandatory. HDWSAA will require the preparation of Public Health Risk Management Plans (PHRMP).

The Wanganui District Council provides reticulated water supply schemes to Wanganui City, and all rural communities with the exception of Kaitoke Prison and Army Languard Bluff. All Council reticulated water supplies are potable. The city supply is graded Ab under the DWSNZ 2005. The water quality is monitored

Water and Sanitary Assessment summary

according to the DWSNZ 2005 requirements. Rural schemes supplying populations of less than 500 people do not need to be graded according to the Ministry of Health regulations.

Actions

- 3.2e Ensure monitoring programmes comply with NZDWS 2005.
- 3.2f Embark on Public Health Risk Management Plans – noting that they should be done in a manner that provides maximum benefit and compatibility with asset management plans.

3.2.4 Consumers with dual systems

A significant number of consumers connected to a reticulated water supply also receive water from other sources, usually roof water. In these cases, roof water is usually considered to be their primary source, with top-ups from the reticulated system. There are a number of consumers within the city who still have rainwater tanks and many consumers on rural water schemes use rainwater mainly because it is soft.

These consumers are deemed to be receiving non-potable water. Dr Michael Taylor, Ministry of Health Senior Advisor, reported to the NZ Environment Summit in Wellington, in March 2002, that:

“22% of the national population receive water that is shown not to be safe.”

“There is evidence nationally that incidences of illnesses are higher where drinking water is collected from roofs or supplied from surface water takes.”

There have been cases of illness linked to water supplies in the Brunswick/Westmere community i.e. it has been recognised as a risk factor in their illness. Most if not all of the households in this community use rainwater as their primary source, with top-ups from the city supply as necessary.

Actions

- 3.2g That Council note that consumers with dual supply systems are exposed to the same risks as those with unreticulated water supplies.

3.2.5 Future demand

Adequacy of supply may be an issue in growth areas of the district such as Mowhanau, Westmere and peri-urban areas, and also at Kaitoke Prison.

A Growth Study is currently being prepared. Future demand will be addressed at the next review when this study is available. A Water Strategy Study is also being commissioned to evaluate demand and to develop new water sources if required.

All Council supplied water schemes supply potable water that is monitored as required. In terms of adequacy the level of service standard is 99% availability for city consumers. This is monitored quarterly and this is achieved.

Each community section of the report outlines the possible options available to Council. Council is also currently undertaking a Water Strategy Study that will evaluate demand and development of new water sources.

Actions

- 3.2h Allows for possible Kaitoke Prison capacity and demand for water, and monitor water quality.
- 3.2i There is a proposal for a self-funding water supply for potential industry in Marangai Road and Kaitoke Prison.

3.3 Unreticulated water supplies

The Health Amendment Bill (Drinking Water Supplies) has not been passed yet. As such, drinking water standards are not ‘mandatory’ for community supplies. The draft 2005 Drinking Water Standards for New Zealand places specific emphasis on

Water and Sanitary Assessment summary

compliance criteria for small communities (<500) and on the control of tankered water.

The draft 2005 Drinking Water Standards for New Zealand also ensures there are appropriate controls on self supplied properties, enforced through the current Building Act. All properties (including rainwater tank supplied houses) should have potable water.

In a regime of legislative uncertainty, it would therefore be unwise for Council to commit unreticulated communities to reticulated systems.

However, Council has regulatory obligations to protect all (reticulated or unreticulated) communities from public health nuisances under the Health Act. There are many actions that an individual property owner can take themselves to minimise the health risks from their water supply. It would be wise for Council to be proactive in encouraging good water management of self supplied systems if it is to avoid committing to expenditure to reticulate these communities at a time when legislation is likely to outline requirements for reticulated communities that will involve significant ongoing operational and capital expenditure.

Council could provide educational material, or even water quality monitoring services coupled with occasional inspections. There should be opportunity to work with Health Protection Officers of the Public Health Service to carry out this work where they believe the greatest risks occur.

However, any move to make it more difficult to use tanks is ignoring a useful reservoir of fresh water which falls from the sky. It is believed that half a million New Zealanders use tank water.

Outside of the reticulated communities, many households and camps and marae in rural areas rely on local water sources (shallow wells, springs, streams, roof water). Untreated water is a health risk.

All taps at Languard Bluff Army Facility are labelled “non-potable”. The Army tankers in potable water when in camp.

Actions

- 3.3a Ensure tankered water suppliers meet requirements of the draft 2005 Drinking Water Standards for New Zealand.

3.4 Reticulated wastewater schemes

Apart from the city scheme, there are two Council-owned wastewater schemes – Mowhanau and Marybank. Wanganui Airport reticulates untreated sewage and stormwater in a single pipe to the Whanganui River. Private reticulated systems include Kaitoke Prison.

Currently the adequacy of the Mowhanau disposal system is under investigation. At Mowhanau, both the Mowhanau and Kai Iwi Streams have a history of very poor water quality associated with highly developed agricultural catchments or ex-filtration of sewage. There are no known problems with the Marybank scheme.

Industries must comply with the Council's Trade Waste Bylaw (Bylaw No.59).

Actions

- 3.4a Investigate the sewerage system at Mowhanau to identify any areas of ex-filtration which reduce flows to treatment.
- 3.4b Establish the likely growth of Mowhanau over the period of the proposed resource consent and consider the implications of this on future treatment and disposal capacity. It may be necessary to plan for significant future expenditure if capacity is to be exceeded or the consent requires a significant improvement in effluent quality.
- 3.4c Consider sampling upstream and downstream of the existing disposal area at Mowhanau to determine the extent, if any, of environmental impact on the stream.
- 3.4d Consider reinstating the automatic dosing system at Mowhanau to improve the consistency of dosing, and

Water and Sanitary Assessment summary

examine the sand in the intermittent sand filters (ISFs) to reduce short circuiting.

- 3.4e Monitor industries for compliance with Trade Waste Bylaw criteria.

3.5 Unreticulated wastewater systems

Outside of the reticulated communities, many households and camps and marae in rural areas rely on on-site wastewater disposal and septic tank systems. Failed on-site systems are a health risk.

Wanganui District Council has delegated authority from Horizons Regional Council to approve the design, installation and ongoing monitoring of on-site wastewater systems.

There are areas where septic tank systems are known not to be effective. However, Council does not monitor performance of septic tank systems and has no definitive knowledge of the extent of non-performing systems.

Actions

- 3.5a Consider the adoption of rules to define lot size requirements for different on-site systems, maintenance requirements and the ongoing maintenance of septic tank/on-site system discharges.

3.6 Future demand

The Growth Study currently being prepared will determine possible future demand for wastewater services. Currently, there is little growth in population and no major growth in wet industries. Wastewater is currently filtered at the Beach Road pump station. The treatment plant to treat the sewage is now operational.

The Mowhanau wastewater scheme is monitored as required by the Regional Council. There is no regular monitoring programme in place for this plant. The Marybank oxidation pond is also not monitored regularly. It is occasionally checked by the Regional

Council. In terms of the city wastewater reticulation, the quality of the discharge to the sea is monitored on a regular basis and some components are monitored three days a week, while some components are monitored fortnightly and some components are monitored monthly.

3.7 Reticulated stormwater schemes

Wanganui city is fully reticulated. Council has adopted a general guideline for design of stormwater pipelines associated with wastewater separation. Partly driven by the need to prioritise spending on stormwater system upgrades, Council has begun the process of carrying out catchment management studies on catchments within the city.

There are nine significant streams with predominately rural catchments which drain through the Wanganui urban area to the Whanganui River.

Although the stop-banks protecting houses in Anzac Parade, Wanganui East, were increased in height after the 1990 flood event, the houses remain at risk of inundation from a flood with a return period of anything over 20 years. In a 100 year event, flooding in Anzac Parade and also to the industrial area of the city near Gilbert Street will be significant.

The effect of cold and damp houses on the health status of the Wanganui population is being investigated by Whanganui District Health Board.

Rapid development currently occurring in Mowhanau is highlighting the lack of stormwater infrastructure in Mowhanau.

Actions

- 3.7a Consider introducing a rule in the District Plan restricting the percentage of site area covered by impervious surfaces.
- 3.7b Raise Whanganui River stop-banks to protect against a 50 year flood event.

Water and Sanitary Assessment summary

- 3.7c Implement on-going maintenance of stream channels.
- 3.7d Complete an investigation of the stormwater reticulation system at Mowhanau.

3.8 Unreticulated stormwater disposal

Roadside drains and natural drainage paths remove stormwater in rural areas. There are known drainage problems in the settlement of Fordell.

No information has been collected relating to stormwater disposal systems at rural camps, rural schools and rural marae.

Actions

- 3.8a Provide support and education on soakage systems.

3.9 Future demand

Neither the District Council nor the Regional Council currently have quality standards for stormwater runoff.

3.10 Sanitary services

- 3.10.1 Solid waste collection/waste minimisation collection services are provided by private operators. Council's disposal needs are currently met by the Bonny Glen and Palmerston North City Council landfills.

3.10.2 Future demand

Future demand will be reviewed when the Growth Study is available.

Actions

- 3.10a Update Council's Waste Management Strategy.

3.10.3 Public toilet facilities

Existing Council-owned facilities are adequate.

There are regular incidences of vandalism.

Transit NZ does not provide toilets on State Highways within the rural Wanganui district.

3.10.4 Future demand

Currently, Council is considering closing public toilets rather than providing more as there is a high incidence of vandalism in Wanganui. Council will provide additional facilities and security of facilities in response to proven demand and Council resources.

3.10.5 Cemeteries and crematoria

Cemetery space is adequate.

There is currently no demand for ethnic burial plots.

There is a growing demand for pet cremations.

3.10.6 Future demand

Based on current demand, there is more than sufficient land at Aramoho Cemetery to meet demand for the next 100 years. Additional land purchases being considered would bring the estimated remaining life to 140-150 years. However, Council has decided on a 100 year service capacity.

3.10.7 Effluent disposal sites

Currently there are no public campervan/caravan effluent disposal facilities and no stock effluent discharge points on State Highways within Council's roading network.

There is a Council resolution to provide an effluent disposal facility. One is currently being provided at Springvale Park.

Trucks have been seen to occasionally discharge effluent into roadside drains.

3.10.8 Solid waste

Council has now largely withdrawn from direct involvement in solid waste management, preferring instead to allow competing private

Water and Sanitary Assessment summary

operators to provide these services. The main disposal site for Wanganui's solid waste is Bonny Glen Landfill which is outside of the Wanganui district and is privately owned.

Waste Management Plan summary

Background

Wanganui District Council has a Waste Plan that was developed in 1992 and subsequently updated in 1997 and 2005. The current plan is a legacy from the early 1990s when Council was still involved in waste services such as refuse collection and refuse disposal (landfill). Through the 1990s the councils of the day progressively decided to exit from some of these traditional territorial authority waste management services and allowed for private markets to provide. Reviews of the original 1992 Waste Management Plan acknowledged these changes without really addressing strategies into the future.

Waste Management Plan Review

This Council in 2008 decided to take a fresh look at waste management and minimisation for Wanganui which coincided with the passing of the Waste Minimisation Act 2008. This Act requires territorial authorities to update their Waste Management and Minimisation Plans to encompass the objectives of the Act as they relate to their communities' needs.

Council initiated the review by appointing a Waste Management and Minimisation Working Group, comprising elected representatives and officers, to research and develop a draft Waste Management and Minimisation Plan for Council to consider. The draft Waste Management and Minimisation Plan will include issues, objectives and policy options.

The draft Waste Management and Minimisation Plan will be presented to Council in July 2009 after which a period of public consultation, submission and Council deliberation will follow. As a result, the final plan will not be ready for incorporation into this 10-Year Plan 2009-2019.

The 10-Year Plan 2009-2019 activity summary for waste minimisation reflects the current level of service only. There are some minor adjustments allowing for the new Act's provisions.

To give some insight to what might be considered for future waste management and minimisation plans for Wanganui, the Working Party is considering the following waste management and minimisation issues:

- Possible reintroduction of a Council-let and ratepayer-funded contract for kerbside rubbish collection service for all householders.
- Possible reintroduction of a Council-let and ratepayer-funded contract for kerbside recycling collection service for all householders.
- Possible inclusion of a kerbside organic waste collection service.

The Working Party is researching how these three services may be best delivered to Wanganui residents in the future so as to –

- Maximise service efficiency
- Maximise waste minimisation and minimise waste disposal
- Be cost affordable
- Be environmentally sustainable
- Best meet the residents' needs

Summary of Council's current Waste Management Plan and services:

Disposal

Council does not provide any local landfill or associated transfer stations for waste disposal. Local waste is deposited in privately owned and operated waste transfer stations. Most of this waste is then transferred to Bonny Glen landfill, a privately owned and operated landfill in Rangitikei.

Collection

Council has no involvement in the provision of refuse collection services in the urban area. This is undertaken by private refuse collection companies. Where market failure exists in the peri-urban and rural areas, Council lets contracts for specific collection services funded through rates.

Recycling

Council provides a 24/7 recycling drop-off centre which accepts glass bottles, plastics, paper, cardboard, aluminium and steel cans and clothing. Supporting this is a monthly kerbside recycling collection service for registered persons unable to access the centre due to

Waste Management Plan summary

disability or being careless. Council also funds and offers assistance to schools and organisations which endeavour to implement waste recycling or recovery programmes.

Hazardous waste

Council funds and provides facilities for domestic drop-off of household hazardous waste. Educational material is also made available on alternative uses or disposal techniques for household hazardous waste.



Fees and charges

The following are fees and charges that require special consultation under section 150 of the Local Government Act 2002 and section 36 of the Resource Management Act 1991.

Resource Consent Charges	Amount (GST inclusive) 2009/10
Plan change fees (for private plan changes to the Wanganui District Plan) are based on the Council's policy to charge what is actual and reasonable. The charges are based on the actual time to process, including planners' time, administration, advertising, technical advice and hearing costs. The costs are generally no more than \$12,000.	
Private plan changes	Actual costs with an initial deposit of \$1,200.00
Land information memorandum (LIM)	
Residential/Rural LIM	\$140.00
Commercial LIM	Actual costs (+GST) with an initial deposit of \$150.00
Urgent LIM (less than 75 hours)	Incurs an additional cost of \$140.00
LIM site inspections	
Residential	\$120.00
Commercial/Rural	Actual costs (+GST) with an initial deposit of \$50.00
Resource consent application charges	
Hourly rate	\$120.00
Land use notified consent application	Actual costs with an initial deposit of \$1,800.00
Land use limited notification	Actual costs with an initial deposit of \$840.00
Land use non-notified consent application	Actual costs with an initial deposit of \$600.00
Subdivision notified resource consent	Actual costs with an initial deposit of \$1,800.00
Subdivision non-notified consent application	Actual costs with an initial deposit of \$800.00

Resource Consent Charges	Amount (GST inclusive) 2009/10
Section 223 certificate issue	Actual costs with a minimum fee of \$100.00
Section 224 certificate issue	Actual costs with a minimum fee of \$150.00
All other certificates	Actual costs Registration cost met by applicant/holder of resource consent
Covenants (Council seal)	Registration cost met by applicant/holder of resource consent \$100.00
Bond processing fee	Actual costs with a minimum fee of \$300.00
Other resource management charges	
Certificate of Compliance and Outline Plan assessment	Actual costs with an initial deposit of \$420.00
Dwelling relocation	Actual costs with an initial deposit of \$600.00
Certificate of Compliance for Liquor Licensed Premises administration charge	\$120.00

Urban and settlement fees	
Connection	Amount (GST inclusive) 2009/10
Water	\$760.00
Stormwater	\$350.00
Wastewater	\$3,000.00
Plumbing and drainage only, Stormwater Separation	\$40.00

Fees and charges

The infrastructure connection charges for non-residential connections will continue to be charged at cost.

Liquor Licence Fees	
Charge	Amount (GST inclusive) 2009/10
On/off/club licences and renewals	\$776.00
BYO licences	\$132.00
Special licences	\$63.00
Temporary authorities (transitional)	\$132.00
Managers certificates – General and Club Managers	\$132.00

The Liquor Licence Fees are set by section 29 of the Sale of Liquor Act Regulations 1990.

Parking Charges	Amount (GST inclusive) 2007/08	Amount (GST inclusive) 1 April 2009/10
Victoria Avenue parking	\$1.50 per hour	\$2.00 per hour
Long term parking	\$15.00 per week	\$20.00 per week

All other meters are \$1.00 per hour and car parks \$3.00 per day.

Airport charges – 2009/10 (amounts GST inclusive except where stated otherwise)			
Landing charges			
General aviation aircraft not using the terminal (deemed to be under 5,001 kg)			
Maximum certified take-off weight (MCTOW) kg	Daily minimum (GST excl.)	Invoiced (GST incl.)	Cash quarterly or prepay discount
0-500 and helicopters	\$5.00	\$5.63	\$5.00
501-1,500	\$10.00	\$11.25	\$10.00
1,501-3,000	\$15.00	\$16.88	\$15.00
3,001-4,500	\$20.00	\$22.50	\$20.00
4,500-5,000	\$25.00	\$28.13	\$25.00
Note:			
<ol style="list-style-type: none"> The above are daily charges per aircraft for five or less landings within the day. The sixth and following landings per aircraft within the day are charged at 20% of the daily minimum. Helicopters operate free of charge from leased Wanganui Airport sites. A \$10.00 administration charge applies to all invoices less than \$20.00 per month. 			
A discount equivalent to GST will apply for the following:			
<ol style="list-style-type: none"> Cash on the day (honesty box or paid to the café). Pre-payment, quarterly in advance. Self-generated schedule of landing charges by high volume users. 			
Scheduled and chartered services			
1. It is assumed that aircraft larger than 5,000kg will use the sealed			

Fees and charges

runway and terminal facilities.			
2. The landing fee will include a terminal charge which will vary according to the aircraft seat configuration and will always assume a 70% load factor.			
MCTOW (kg)	Landing charge per kg of MCTOW	Terminal charge per PAX assuming a 70% load factor	Total landing fee
5,001-8,000	\$0.00462	\$2.47	Sum of landing and terminal charges
8,000-11,000	\$0.00421	\$2.47	As above
11,001-14,000	\$0.00400	\$2.47	As above
14,001-17,000	\$0.00387	\$2.47	As above
17,000-20,000	\$0.00378	\$2.47	As above
Over 20,000	\$0.00320	\$2.47	As above
Parking charge			
Secure parking charge	\$10.00 per 24 hour period		

Building consent charges

Wanganui District Council sets its building consent fees as actual and reasonable costs for the service.

These are set by Council pursuant to section 219 of the Building Act (2004) and section 150 of the Local Government Act (2002). All fees are GST inclusive.

There are two types of fees, which relate to the types of building project being undertaken:

- Fixed fees: These are for simple project types where the costs are easily identified before application.
- Estimated fees: Based on anticipated costs for that building project type.

Fixed fees

This fee covers all the costs payable for the building consent types listed below. The amount is fixed i.e. no additional costs will be charged by the Council (except for additional time incurred for rural consents). Fixed fees are to be paid at the time of lodgement of the application.

Project	Type	Building Consent Fee \$
Signs	Temporary Sign	\$40.00
PD only	Stormwater Separation	\$40.00
1V	Vehicle Crossings	\$80.00
2V	Valve Vented Cylinders	\$230.00
1H	Inbuilt Solid Fuel Heaters	\$270.00
2H	Free Standing Solid Fuel Heaters	\$215.00
1AD	Demolition	\$200.00

Estimated building consent fees

These fees are estimates only and are documented to give applicants a **guide**. Fees charged will be those which are actual and reasonably incurred by Council in receiving, processing, issuing, inspecting and managing that building consent. The fees are made up of three parts:

- Administration Fee: This part of the fee covers administration costs in receiving and vetting an application, Project Information Memorandum (PIM) costs, Code Compliance Certificate issue and scanning/digital storage charges.
- Processing Fee: This part of the fee covers officer time in compliance assessment of plans, data entry into Council's system, correspondence with applicant, consent issue and charging of consent.
- Consent Issue Fee: This part of the fee covers officer time in completing inspections and recording of same.

Fees and charges

Both the estimated administration fee and processing fee are payable upon application **as a deposit**. At consent issue time and uplift, the applicant will be asked to pay the balance of the costs that are deemed actual and reasonable.

Additional charges may be made in respect to a consent that incurs further costs such as extra inspections. All figures include GST.

Fee estimates

Note: Fee estimates do not include the BRANZ and Department of Building and Housing (DBH) levies payable for any work valued at \$20,000 and over. Levy rate is: BRANZ – \$1.00 per \$1,000; DHB – \$1.97 per \$1,000.

Project	Type	Administration Fee \$	Estimated Processing Fee \$	Estimated Consent Issue Fee \$
		Both estimated fees are payable as a deposit upon application		
New Residential Dwellings				
3C	\$0 to \$100,000	170	500	600
4C	\$100,000 to \$200,000	170	700	900
5C	Above \$200,000	170	800	1,200
Residential Additions and Alterations				
1A	Ancillary Building Work (1 inspection)	110	120	120
2A	Minor Building Work (2 inspections)	110	180	180
2B	\$0 to \$20,000	110	300	400

Project	Type	Administration Fee \$	Estimated Processing Fee \$	Estimated Consent Issue Fee \$
1C	\$20,000 to \$50,000	170	330	480
2C	Above \$50,000	170	550	840
Commercial Buildings				
2B	Minor Building Work up to \$20,000	110	300	At cost
1D	\$20,000 to \$50,000	170	300	At cost
2D	\$50,000 to \$100,000	170	500	At cost
3D/4 D	\$100,000 to \$200,000	170	700	At cost
1E	\$200,000 to \$500,000	170	900	At cost
2E	\$500,000 to \$1M	170	960	At cost
3E	Over \$1M	170	1,800	At cost
Ancillary Projects				
1S	Solar Hot Water Heating Installation	110	60	120
3A	Fire Reinstatement	110	400	240
1F	Farm Buildings	110	200	At cost

Fees and charges

Project	Type	Administration Fee \$	Estimated Processing Fee \$	Estimated Consent Issue Fee \$
PIM	Project Information Memorandum	105	200	At cost

General charges	
Independent Qualified Persons (IQP) registrations	\$120.00 plus \$20.00 per feature
Independent Qualified Persons (IQP) two yearly renewal	\$120.00
Certificate of Acceptance	\$240.00 deposit plus actual costs
Certificate for Public Use	\$240.00 deposit plus actual costs
Unscheduled building, plumbing and drainage inspections. Such inspections will include but are not limited to:	\$120.00 per hour
<ul style="list-style-type: none"> Requested inspections of existing buildings Inspections of unauthorised work (plus a Certificate of Acceptance Fee of \$240) Reinspection of work subject to prior notification Inspection of work covered by Notice to Fix Building Warrant of Fitness inspection Inspections as per plans or description provided for Certificate of Public Use (CfPU) application (plus a Certificate of Public Use application fee of \$240) 	
Compliance schedule – issue fee	\$120.00
Compliance schedule – alteration or	\$90.00

amendment fee	
Building Warrant of Fitness annual fee	\$120.00
Engineering assessment	The building consent fee does not include the cost of any structural assessment which may be required. This will be on-charged at cost.
Plan searches (includes photocopying up to a maximum of two A3 or five A4 sheets)	\$10.00
Rural rapid numbers:	
New	\$40.00
Replacement	\$20.00
Large plan photocopying:	
A2	\$4.00
A0-A1	\$6.00
CBD pedestrian count data	\$15.00
Microfiche – site dimension	\$5.00
Aerial photographs	\$5.00
Monthly building statistics	\$120.00 per annum
Copy of Certificate of Title	\$10.00

Development Contributions				
Schedule of Development Contributions				
Activity		Catchment	Development Contribution per HUE (GST Excl) Urban	Development Contribution per HUE (GST Excl) Rural
Infrastructure				
Activity	Project			
Roading	Mosston Road	Whole of district	525.07	525.07
	Urban and Rural Road Sealing and	Whole of district	146.66	70.27

Fees and charges

	Extensions			
	Minor Safety Upgrades	Whole of district	373.66	1790.44
Water Supply	Water capacity	Urban residents	331.34	-
Wastewater	Interceptor	Urban residents	53.89	-
	Wastewater Treatment Plant	Urban residents	494.50	-
Total			\$1,925.12	\$2,385.78

Note:

i) these charges may have been paid in conjunction with the initial subdivision of your property. Please check with Council staff.

ii) in all instances the second and any subsequent dwellings erected on existing titles will also be charged the levy.

0.5	33.75	67.50	\$101.25
Offensive Trades			
0.5	33.75	67.50	\$101.25
Hawkers			\$22.50
Mobile Shops			\$112.50
Camping Grounds			
0.5	33.75	67.50	\$101.25
0.75	50.63	67.50	\$118.13
Funeral Directors			
0.25	16.88	67.50	\$84.38
0.5	33.75	67.50	\$101.25

Health Registration Fees			
Inspection Time	Inspection charge @ \$82.50/hr \$	Registration Charge \$	Total \$
Food Premises			
0.25	20.63	82.50	\$103.13
0.5	41.25	82.50	\$123.75
0.75	61.88	82.50	\$144.38
1	82.50	82.50	\$165.00
1.25	103.13	82.50	\$185.63
1.5	123.75	82.50	\$206.25
1.75	144.38	82.50	\$226.88
2	165.00	82.50	\$247.50
2.25	185.63	82.50	\$268.13
Hairdressers	Time @ \$67.50/hr	Registration Fee	Total Cost

Prospective financial information

Assumptions

Significant forecasting assumptions and risks

Schedule 10, section 11, of the Local Government Act 2002 (the Act) requires that Council identifies the significant forecasting assumptions (assumptions) and risks underlying the financial estimates in its 10-Year Plan. Where there is a high level of uncertainty surrounding the assumptions, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects of the uncertainty on the financial estimates provided.

Council has made a number of assumptions in preparing this 10-Year Plan 2009-2019. These assumptions are necessary as the planning term covers 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

The prospective financial information contained in this 10-Year Plan 2009-2019 is underpinned by the assumptions that the Council reasonably expected to occur as at 30 June 2009. The assumptions are made on the basis that there is an average of 20,000 ratepayers in the district.

Actual results are likely to vary from the information presented and these variations may be material. This financial information should not be used for any other purpose.

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>Population growth – The population of the district will remain relatively static during the period of the plan. The number of rateable properties is expected to increase due to residential subdivision and expanding commercial activities.</p> <p>The Council's Growth Strategy identifies that on average 70 new dwellings will be built each year for the 10 years of the plan. The average occupancy per household is estimated to drop from 2.4 in 2008 to 2.1 by 2026.</p>	<p>That population growth is higher than projected.</p> <p>That population growth is lower than projected.</p>	<p>Low</p> <p>Medium</p>	<p>Low</p> <p>Low</p>	<p>Population growth can be affected by a number of factors, including net migration, births, deaths and the trend for people to live in smaller family groupings.</p> <p>Significantly higher population growth could require Council to extend infrastructure into increasingly difficult and costly subdivisions, with cost increases being funded out of debt.</p> <p>A decline in population could result in a reduction in the number of rateable properties and affect Council's ability to set rates at a level that is affordable to the community.</p>
<p>Resource consents – Conditions of resource consents held by Council will not be altered significantly.</p>	<p>Work is not performed in accordance with the conditions of the consent.</p> <p>Conditions of Council held resource consents are reviewed and altered.</p>	<p>Medium</p> <p>Low</p>	<p>Medium</p> <p>Medium</p>	<p>Breaches of resource consent conditions may result in increased costs and/or legal action taken against Council; however, the specific extent of any breaches or legal actions cannot be accurately quantified prior to their occurrence.</p>
<p>Inflation – The financial information is based on the following adjustments for inflation. Council has used the BERL forecasts of price level changes to calculate a weighted average inflation rate</p>	<p>That actual inflation will be significantly different from the assumed inflation.</p>	<p>Low (Years 1-3)</p> <p>Medium (Years 4-10)</p>	<p>Low (Years 1-3)</p> <p>Medium (Years 4-10)</p>	<p>Inflation is affected by external economic factors.</p> <p>Council's costs and the income required to fund those costs will increase by Council's average rate of inflation.</p> <p>While individual cost indices will at times vary from what has been included in this plan, the Council has relied on</p>

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
for each year of the plan. Where expenditure is subject to inflation, the following rates have been applied: 2009/10 0% 2010/11 2.9% 2011/12 2.7% 2012/13 2.6% 2013/14 2.7% 2014/15 2.7% 2015/16 2.8% 2016/17 2.8% 2017/18 2.7% 2018/19 2.8%				the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range. Where the actual inflation differs from the assumed inflation the cost of the activity will differ. Lower inflation may result in Council reducing the funding. Higher inflation may increase the funding.
Interest – Interest on term debt is calculated at 7.0% per annum. Interest on cash, short-term and other investments is calculated at 4.5% (Years 1-2) and 6.5% (Years 3-10). Interest is calculated on Council's estimated long-term average costs of funds.	That interest rates will change from those used in the calculations over the 10-year period. That interest rates will change from those used in the calculations in any one year.	Medium Medium	Medium Low	Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy. Council mitigates interest rate uncertainty through the use of interest rate swaps and other derivatives. Based on Council projected debt levels, interest costs will increase or decrease annually by \$600,000 in year one of the plan to \$900,000 in year 10 of the plan for every 1% movement in interest rates. A significant change in interest rates could affect the amount of funds available to Council.
Raising debt – Council can raise debt at any time.	That Council cannot raise debt as and when required.	Medium	Medium	Council funds debt from bank credit lines and from issuing local authority stock. Market conditions may impact on banks' ability to continue to fund Council debt. New Zealand local authority stock market is dominated by a small number of significant purchasers. Market conditions may result in purchasers of local authority stock withdrawing from the market for a period. This

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
				<p>means that in the short term Council may have to use cash reserves or investments in place of debt. In the medium term Council may have to delay/suspend current projects. In the long term additional funding sources would have to be found or the Council budget would have to be reduced to what could be funded from current revenues.</p> <p>The effect on projects would depend on the value involved and extent Council could not fund from internal sources.</p>
<p>New Zealand Transport Agency (NZTA) requirements and specifications for the grant of subsidised work will not alter.</p> <p>The NZTA subsidy Council has used in the 10-Year Plan is –</p> <ul style="list-style-type: none"> • 62% for maintenance and renewal work • 72% for capital acquisitions • 62% for capital renewals excluding emergency work • 75% for studies and investigations. 	Changes in subsidy rate and in criteria for inclusion in subsidised works programme.	Low	Medium	<p>NZTA funding priorities may change as a result of the Land Transport Management Act 2003 and its focus on delivering the key outcomes of integration, safety, sustainability and value for money. Variations in subsidy are possible through implementation of the New Zealand Transport Strategy and Government Policy Statement on NZTA funding.</p> <p>A 1% decrease in subsidy will increase Council's cost by \$115,000 to \$130,000 per year or \$5.75 to \$6.50 per ratepayer based on 20,000 ratepayers.</p>
Forecast return on investments – Council has forecast the following returns for significant investments.	That Council will not achieve the forecast rates of return.	High	Medium	The projected returns are based on a report prepared by Ian Moore, Forestry Consultant. The milling of timber is the dominant income earner for forestry and it is subject to commodity price exchange rate risks. Shipping rates and exchange rates affect prices for logs in international

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
Forestry dividends 2009/10 \$0 2010/11 \$0 2011/12 \$0 2012/13 \$0 2013/14 \$1.1M 2014/15 \$0 2015/16 \$0 2016/17 \$0 2017/18 \$0 2018/19 \$400,000				<p>markets. Low log prices have delayed harvesting, consequently delaying the returns to Council.</p> <p>An exchange rate fluctuation will impact on the return the forestry venture will achieve. This in turn flows to the dividend available to Council.</p> <p>The lack of dividend will impact on the level of funding from other sources if Council was to provide the same services. The impact of \$100,000 movement in dividend will impact on ratepayers by approximately \$5.00.</p>
Wanganui District Council Holdings Limited dividends 2009/10 \$0 2010/11 \$0 2011/12 \$1M 2012/13 \$1M 2013/14 \$1M 2014/15 \$1M 2015/16 \$1M 2016/17 \$1M 2017/18 \$1M 2018/19 \$1M	That Council will not achieve the forecast rates of return.	High	Medium	<p>Wanganui District Council Holdings Limited dividend is derived from Wanganui Gas Limited, which is subject to market fluctuations. The projected returns are based on information provided by the Chairman of Wanganui District Council Holdings Limited.</p> <p>The lack of dividend will impact on the level of funding from other sources if Council was to provide the same services. For every \$100,000 of additional income gained or shortfall in proposed income, the impact on ratepayers is a \$5.00 gain or loss respectively.</p>
Funding sources – Sources of funds are as per the revenue and financing policy.	That some user charges may not be achievable.	Low	Low	<p>Levels of charges have been set at previously achieved levels. Some user charges under budget will be likely to be offset by some user charges over budget.</p> <p>User charges have generally been increased by the assumed rate of inflation over the 10 year period of the plan.</p> <p>Some price increases may affect the demand for services and adversely impact on Council forecast user charge income.</p>

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
				Development contributions are estimated to fund growth portions of development. Where growth does not occur, income from contributions will not be received which may affect some project funding in the short term. Council will most likely fund any project shortfall from a delay in receiving development contribution funding using debt and rating mechanisms.
Asset life – Useful life of assets is as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies Depreciation note on page 119.	That assets wear out earlier than estimated.	Low	Low	<p>Asset life is based upon estimates of engineers and valuers.</p> <p>Asset replacements - Capital projects could be brought forward in event of early expiration of assets affecting interest costs and levels of debt. (Depreciation expense would also increase). The negative impacts would be at least partially offset by other assets lasting longer than estimated.</p> <p>Maintenance levels may have an impact on asset life. More regular maintenance may prolong the assets' life and conversely lower levels of maintenance or maintenance deferred may shorten or reduce the assets' life which will mean earlier replacement.</p> <p>Replacing assets earlier than necessary does not maximise the use of the asset and therefore costs more.</p>
Depreciation on planned asset acquisitions – The following average depreciation rates have been used for planned asset acquisition: Infrastructure 1.75% Buildings & improvements 2%	That more detailed analysis of completed capital works may alter the depreciation expense.	Low	Low	Council has an asset management planning and improvement programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
Other fixed assets 5%				
Changes in society – The projected demographic profile of the district signals an aging population. Ethnic diversity is expected to increase, although at a lower rate than the rest of New Zealand. The Maori population is expected to increase and the district's ethnic make up will remain predominantly European and Maori.	<p>The expected demographic changes do not transpire in the predicted areas, impacting on the provision of services for the area and the district as a whole.</p>	Low	Low	<p>The district's projected demographic profile was taken into account in preparing the asset management plans, service plans and activity plans. A significant change in the projected profile could impact on the provision of age specific service delivery and infrastructure, which may become obsolete or underutilised sooner than anticipated.</p> <p>In 2006 17% of people living in the district were aged over 65 and the median age was 39.4. Those figures are expected to increase to around 22% and 43.8 years respectively by 2018.</p>
Potential climate change impacts Wanganui can expect – <ul style="list-style-type: none"> • Average temperatures to rise by 1% by year 2040 and 2.1% by year 2090. • Wetter conditions with average precipitation up by 1% by year 2090 • Between 50cm and 80cm sea level rise by 2090 <p>These physical effects have the ability to exacerbate or intensify events including storm events, natural hazards such as flooding and landslips, coastal erosion and inundation</p>	<p>Climate change has no effect on the district.</p> <p>Climate change has a greater effect on the district than expected.</p>	<p>Medium</p> <p>Low</p>	<p>Low</p> <p>Low – Medium</p>	<p>Climate change may result in increased surface flooding, infrastructure disruption due to extreme events, greater risks to public safety and private property and impact on resources to manage events. Infrastructure damage may affect the levels of maintenance in any one year or replacement timeframes may be varied as a result.</p>

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
and droughts. That Council will not receive any carbon credits or pay any charges through the Emissions Trading Scheme.	Government changes to Emissions Trading Scheme rules.	High	Low	The National Government is currently reviewing the Emissions Trading Scheme providing uncertainty over its future, applicability and effect on Council. There are two main services that potentially trigger Emissions Trading – landfill gases and forestry. Council's old landfill has insufficient gas emission to be of concern whilst Council's forestry holding potentially triggers carbon credits or charges for Council. The quantum and eventuality of any credits or charges is dependent on current Government review.
Shared services – Council partners with other agencies to deliver services in a cost effective manner.	Partnerships do not deliver the desired outcomes. The desired outcomes are delivered at an increased cost.	Low Low	Low Medium	External factors may impact on provider's ability to deliver services at the expected level. There are existing agreements between Council and other agencies for the delivery of services. Non delivery could result in an increased cost to Council or an unexpected drop in service levels.
Central government – Council is unable to confidently predict any Government statutory or policy changes. Therefore this plan assumes Council is operating under the current regime of statutory and policy provision.	There are unexpected changes that alter the services provided by Council.	Medium/High	Low	Most changes to legislation are programmed and known about in advance. Any Government changes to legislation will result in appropriate Council response during future annual and long term planning. Only in extraordinary circumstances (such as public outcry over a particular incident) would unexpected changes to legislation be promoted. Central government is likely to share part of any cost associated with major legislative changes.
Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions, insurance contracts or central government relief.	That there will be natural disaster events requiring emergency work that cannot be funded out of normal budgetary provisions.	Medium	High	Although Council has faced natural disaster events in the past, and coped adequately, climate change predictions are that some events could become more frequent and more intense. The potential effect of a natural disaster on Council's financial position is dependent upon the scale, duration and location of the event. Central government assistance and insurance contracts would

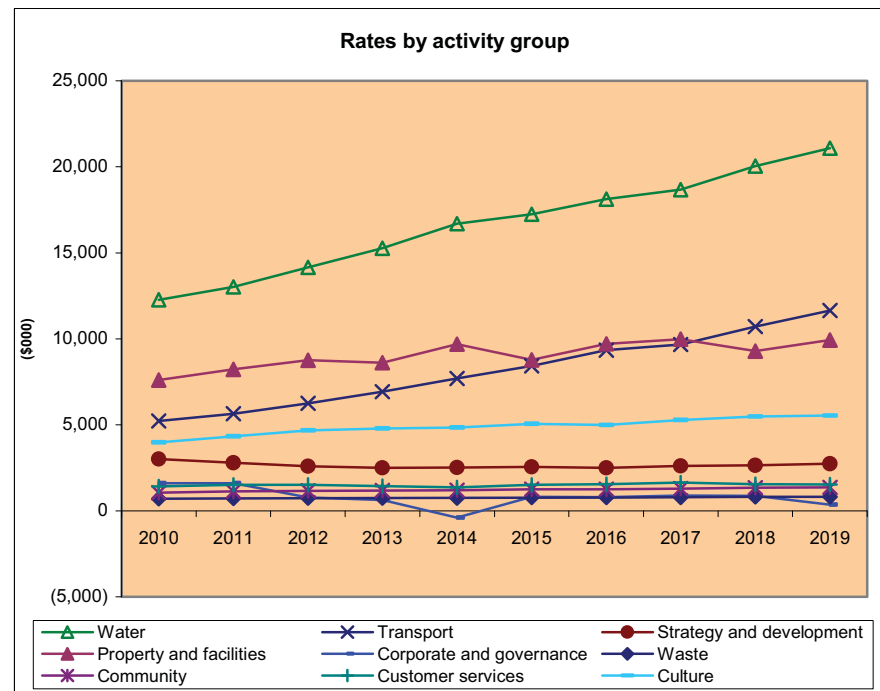
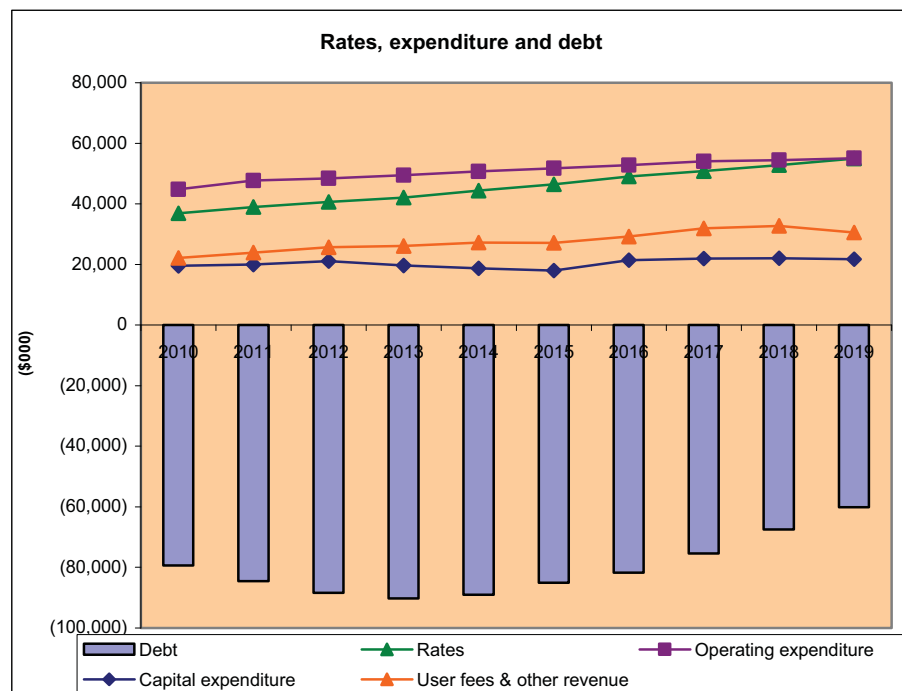
Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
				reduce some of the Council's financial risk. Emergency Management plans and legislation allow for Government assistance where communities are unable to cope with the emergency relief and recovery works.

Prospective cost of service statement

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Income											
Rates	35,456	36,865	38,950	40,625	42,086	44,380	46,437	49,013	50,841	52,773	54,988
Subsidies	9,056	8,265	9,260	8,971	8,737	8,040	8,530	10,028	11,963	12,233	9,015
User fees and other income	13,954	13,839	14,682	16,696	17,336	19,155	18,620	19,207	19,914	20,538	21,556
Total income	58,466	58,969	62,892	66,292	68,159	71,575	73,587	78,248	82,718	85,544	85,559
Capital funding											
Transfer from/(to) special funds	372	(402)	(492)	(624)	(839)	(944)	118	(763)	(558)	(1,077)	(1,347)
New loans/(loans repaid)	6,020	5,700	5,190	3,881	1,819	(1,208)	(3,933)	(3,362)	(6,267)	(7,951)	(7,416)
Total capital funding	6,392	5,298	4,698	3,257	980	(2,152)	(3,815)	(4,125)	(6,825)	(9,028)	(8,763)
Total funding	64,859	64,267	67,590	69,549	69,139	69,423	69,772	74,123	75,893	76,516	76,796
Costs											
Operating costs	26,803	27,307	29,351	29,467	30,031	30,926	31,765	32,648	33,849	34,478	35,187
Salaries and wages	11,819	11,818	12,312	12,639	12,962	13,297	13,634	14,001	14,381	14,748	15,128
Debt servicing	5,587	5,613	5,994	6,311	6,511	6,532	6,352	6,097	5,760	5,262	4,725
Total activity costs	44,209	44,738	47,657	48,417	49,504	50,755	51,751	52,746	53,990	54,488	55,040
Capital expenditure											
Capital acquisitions	10,814	9,434	8,521	8,800	5,131	3,691	5,257	7,603	7,846	7,617	5,128
Capital replacements	9,835	10,095	11,412	12,332	14,504	14,977	12,764	13,774	14,057	14,411	16,628
Total capital expenditure	20,649	19,529	19,933	21,132	19,635	18,668	18,021	21,377	21,903	22,028	21,756
Total funding requirement	64,859	64,267	67,590	69,549	69,139	69,423	69,772	74,123	75,893	76,516	76,796

Rates, expenditure and debt summary graphs



Capital expenditure - acquisitions

Description	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CBD landscaping	0	0	0	0	0	0	468	481	493	506
Cemetery extension - roading, drainage etc	0	0	21	434	0	0	468	0	0	0
Natural burial development Papaiti Road	10	0	0	0	0	0	0	0	0	0
Cemetery - rose beds mowing strips	5	5	5	0	0	0	0	0	0	0
Bason Botanic Gardens - Water pipe and drainage	25	0	0	0	0	0	0	0	0	0
Bason Botanic Gardens - BBQs	0	10	11	0	0	0	0	0	0	0
Bason Botanic Gardens - Road sealing and drainage	0	103	106	434	0	0	0	0	0	0
Riverfront development concept plans	50	0	0	0	0	0	0	0	0	0
Southern entranceway	100	0	0	0	0	0	0	0	0	0
Southern entranceway - Land Purchase	120	0	0	0	0	0	0	0	0	0
Peat Park swings	0	10	0	0	0	0	0	0	0	0
Springvale Park drainage	0	0	0	217	222	228	0	0	0	0
Splash Centre buildings and improvements	4	0	0	0	0	0	0	0	0	0
Splash Centre plant and equipment	21	0	0	0	0	0	0	0	0	0
Property and facilities total	335	129	143	1,084	222	228	937	481	493	506

Description	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Wireless CCTV cameras	90	12	13	13	13	14	14	14	15	15
New community library	0	0	0	0	0	342	0	0	0	0
Office equipment	20	21	21	22	22	23	23	24	25	25
Computer equipment	53	55	56	57	59	60	62	64	65	67
Library new computer system	0	0	291	0	0	0	0	0	0	0
Furniture and fittings	20	21	21	22	22	23	23	24	25	25
War Memorial Hall - wall partitions	100	0	0	0	0	0	0	0	0	0
Sarjeant Gallery environmental control	0	0	528	0	0	0	0	0	0	0
Art works additions	20	21	21	22	22	23	23	24	25	25
Community and culture total	303	129	951	135	139	485	146	150	154	158

Capital expenditure - acquisitions

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Replace roof on Airport terminal building	0	0	0	0	0	0	0	82	0	0
Airport building improvements	0	3	0	0	0	0	7	0	0	0
Airport plant and equipment	3	3	3	0	0	0	0	0	0	7
Runway reduced area - Single coat chip and sand seal	0	0	0	190	0	0	0	0	0	2,593
Parking meters	0	0	2	7	0	227	263	0	0	0
Harbour Endowment 8 - 12 Cooks Street	0	0	0	0	0	104	42	0	0	0
Harbour Endowment Gas Building	39	0	0	5	0	968	0	8	0	0
Harbour Endowment inland port - Taupo Moutoa	50	0	0	0	0	0	0	0	0	0
Fitzherbert Avenue extension	0	0	0	0	0	114	1,756	0	0	0
Mill Road extension	0	0	0	0	0	0	468	0	0	0
Feasibility studies - Minor safety projects	0	0	0	163	0	0	176	0	0	190
Minor safety projects	760	875	994	811	941	908	987	922	1,040	970
Mosston Road widening	0	0	0	0	0	0	468	4,690	4,687	0
Chas Poynter Drive	35	541	0	0	0	0	0	0	0	0
Pathways construction	377	388	398	409	419	430	441	453	465	477
River Road seal extension	788	811	439	0	0	0	0	0	0	0
Transport total	2,051	2,620	1,835	1,583	1,360	2,750	4,610	6,156	6,191	4,237

Capital expenditure - acquisitions

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Maxwell Rural Scheme - connections (in and out costs)	1	1	1	1	1	1	1	1	1	1
Urban water reticulation - Upgrades	50	51	53	54	56	57	59	60	62	0
New water connections (in and out costs)	150	154	159	163	167	171	176	180	185	0
Water softening project	600	0	0	0	0	0	0	0	0	0
Fordell Rural Scheme - connections (in and out costs)	1	1	1	1	1	1	1	1	1	1
Westmere Rural Scheme - connections (in and out costs)	2	2	2	2	2	2	2	2	2	3
Springvale protection - Swale	0	0	0	0	0	570	878	601	308	0
Springvale protection - Detention	0	0	0	867	0	0	0	0	0	0
Aramoho flooding hot spots	0	0	0	0	556	0	0	0	0	0
Otamatea stormwater pipe	100	1,544	0	0	0	0	0	0	0	0
Stormwater flooding hotspots	0	0	0	0	0	570	585	0	0	0
Swale land purchase designation	50	206	317	0	0	0	0	0	0	0
Stormwater separation - Beach Road	0	0	2,841	0	0	0	0	0	0	0
Stormwater separation - Gonville 4 - Bedford to Balgownie	784	0	0	0	0	0	0	0	0	0
Stormwater separation - Gonville 5 - Alma, Gonville	1,220	0	0	0	0	0	0	0	0	0
Stormwater separation - Gilbert 1 - Hinau	0	690	0	0	0	0	0	0	0	0
Stormwater separation - Gilbert 2 - Raupo	0	1,247	0	0	0	0	0	0	0	0
Stormwater separation - Gilbert 3	0	738	0	0	0	0	0	0	0	0
Stormwater separation - Tregenna 1	515	0	0	0	0	0	0	0	0	0
Stormwater separation - Tregenna 2	630	0	0	0	0	0	0	0	0	0
Stormwater separation - Tregenna 3	515	0	0	0	0	0	0	0	0	0
Stormwater separation - Tregenna 4	750	0	0	0	0	0	0	0	0	0
New stormwater connections (in and out costs)	100	103	53	54	56	57	59	60	62	63
New wastewater connections (in and out costs)	75	77	79	81	83	86	88	90	92	95
Beach Road generator 1Mw and pumps	313	0	1,321	0	0	0	0	0	0	0
Beach Road Magflow meter and mainfold replacement design / implementation	0	0	53	488	500	0	0	0	0	0
Wastewater flow monitoring	150	154	317	81	0	0	0	0	0	0
Wastewater pump station upgrades	200	309	370	352	361	86	0	0	0	0
City wastewater overflow removal	0	103	106	108	111	114	0	0	0	0
Marybank wastewater	25	10	0	0	0	0	0	0	0	0
Treatment plant gantry and maintenance building to service twister aerators	225	0	0	0	0	0	0	0	0	0
Wastewater treatment plant aerators	150	0	0	0	0	0	0	0	0	0
Flood protection - Repair failed banks	50	51	53	54	56	57	59	60	62	63
Water total	6,656	5,444	5,725	2,308	1,950	1,772	1,907	1,057	776	226

Capital expenditure - acquisitions

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Stained glass windows	14	14	15	15	16	16	0	0	0	0
Server storage upgrade	0	51	0	0	0	0	0	0	0	0
TRIM software requirements	20	0	0	0	0	0	0	0	0	0
Digitisation project	0	124	127	0	0	0	0	0	0	0
TRIM digitisation software requirements	40	0	0	0	0	0	0	0	0	0
Infrastructure admin furniture and fittings	2	2	2	2	2	2	2	2	2	0
Furniture and fittings - new engineering staff	5	0	0	0	0	0	0	0	0	0
Corporate and governance total	81	192	144	17	18	18	2	2	2	0
Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Animal control	1	3	1	3	1	3	1	0	0	0
Environmental health	7	5	0	0	0	0	0	0	0	0
Customer services total	8	8	1	3	1	3	1	0	0	0
Total capital acquisitions	9,434	8,521	8,800	5,131	3,691	5,256	7,603	7,847	7,617	5,128

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
CBD building and improvements	0	0	0	0	0	0	0	0	6	0
City Freehold reserves - roofs and gutters cladding	0	0	0	0	0	0	0	0	6	0
71 Victoria Avenue - Plumbing and accessibility upgrade	0	0	0	0	0	0	35	0	0	0
71 Victoria Avenue floor coverings	0	4	0	0	0	0	4	0	0	0
Street trees	30	31	32	33	39	40	41	42	43	44
Cemetery water pipe replacement	20	21	0	0	0	0	0	0	0	0
Floor coverings - Crematorium	0	10	0	0	0	0	0	0	0	0
Upgrade drains - Crematorium	0	0	0	13	0	0	0	0	0	0
Toilet accessibility upgrade - Crematorium	0	0	0	27	0	0	0	0	0	0
Toilet accessibility upgrade - public toilet	0	0	0	27	0	0	0	0	0	0
Window replacement - Crematorium	0	0	0	0	0	0	0	15	0	0
Upgrade emergency lighting - Crematorium	0	0	0	0	0	0	0	0	0	4
Cisterns in ladies public toilet	0	2	0	0	0	0	0	0	0	0
Papaiti Road residence	8	7	0	0	0	0	23	0	4	0
Roller door - replacement behind Crematorium	0	2	0	0	0	0	0	0	0	0
Cemetery water pipe replacement	0	0	0	16	0	0	0	0	0	0
Seating - Crematorium	0	0	0	0	0	0	35	36	0	0
Seating outdoor - replacement	0	0	0	0	6	6	6	0	0	0
Sealing internal roads Cemetery	45	26	32	22	0	0	0	0	0	0
Septic tank replacement - Crematorium	0	0	0	20	0	0	0	0	0	0
Fencing - Heads Road Cemetery	10	10	11	0	0	0	0	0	0	0
Women's Resource Centre - Accessibility upgrade	0	0	0	20	0	0	0	0	0	0
Women's Resource Centre - Water heating	0	0	0	0	31	0	0	0	0	0
Women's Resource Centre - Rewire	0	0	0	0	0	0	16	0	0	0
Women's Resource Centre - Heating and ventilation	0	0	0	0	0	0	0	0	0	27
Women's Resource Centre - Chattels and floor coverings	0	0	0	0	0	0	0	0	0	41
8 Bryce Street - Upgrade water heating and alarm	3	3	0	0	0	0	0	3	0	0
8 Bryce Street - Rewire	0	0	0	0	10	0	0	3	0	0
8 Bryce Street - Upgrade drains, floor and repile	0	0	0	0	0	34	0	3	0	0
Duncan Pavilion - Balcony roof upgrade	0	0	0	0	0	4	0	0	0	0
Observatory - Exterior cladding roofs and gutters	0	0	0	16	0	0	0	0	0	0
Observatory - Plumbing and accessibility upgrade	0	0	0	0	0	43	0	0	0	0
Observatory - Upgrade drains	0	0	0	0	0	0	12	0	0	0
Observatory - emergency lighting and water heating	0	0	0	0	0	0	0	5	0	0

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Observatory - Rewire	0	0	0	0	0	0	0	0	0	10
Observatory - Telescope maintenance	7	0	0	8	0	0	8	0	0	9
24 Trafalgar Place - Emergency lighting, fire alarm, fence	0	10	0	0	0	0	0	0	0	5
8 Bryce Street - Upgrade kitchen and toilet areas	0	0	0	7	0	0	0	0	0	0
Duncan Pavilion - Floor coverings	0	16	0	0	0	0	0	0	0	0
Bason Botanic Gardens fencing, pathways and signage	34	16	20	57	50	16	5	25	54	58
Parks and facilities replacement programme	0	0	0	0	0	0	1,398	1,436	1,473	1,511
Community Projects Team vehicle replacement	0	0	0	22	0	0	0	0	25	0
Women's Rest toilet upgrade	0	0	0	0	0	0	0	0	0	0
Cooks Gardens fencing - Wilson Street corner	0	4	0	0	0	0	0	0	0	0
Cooks Gardens athletics track replacement	0	352	0	0	0	0	0	0	0	0
Cooks Gardens mainstand - exterior cladding	0	0	0	0	0	0	14	0	0	0
Cooks Gardens signage	0	0	0	0	0	0	0	0	0	3
Velodrome flood lighting and subfloor trusses	15	7	7	199	2	2	2	2	5	3
Cooks Gardens mainstand - carpet	0	0	25	0	0	0	0	0	0	0
Cooks Gardens upgrade score board	0	0	32	0	0	0	0	0	0	0
Cooks Gardens replace St Hill Street steps	0	0	0	27	0	0	0	0	0	0
Cooks Gardens hotmix St Hill Street steps	0	0	0	5	0	0	0	0	0	0
Southern grandstand - water heating	0	0	0	4	0	0	0	0	0	0
Southern grandstand - emergency lighting	0	0	0	3	0	0	0	0	0	0
Southern grandstand - alarm upgrade	0	0	0	0	3	0	0	0	0	0
Cooks Gardens mainstand - vinyl	0	0	0	0	0	0	0	0	0	8
Cooks Gardens gates St Hill Street	0	0	0	0	0	0	5	0	0	0
Cooks Gardens fencing Maria Place end	0	0	0	0	0	0	18	0	0	0
Velodrome - replace paths	0	0	0	0	0	0	6	0	0	0
Velodrome - replace track	0	0	0	0	0	0	0	0	0	2,277
Velodrome - security	0	0	0	0	0	0	0	6	0	0
Velodrome - modify handrail	0	0	0	0	0	0	0	12	0	0
Maria Place toilets - lighting	0	0	0	0	0	0	0	6	0	0
Maria Place toilets - upgrade accessibility	0	0	0	0	0	0	0	0	18	0
Cook Street toilets	0	0	0	0	0	0	0	0	18	0
Chipseal Maria Place entrance	10	0	0	0	0	0	0	0	0	0
Cooks Gardens road sealing	0	0	21	0	0	0	0	0	0	0
Durie Hill elevator cladding replacement	0	0	0	1	0	0	0	4	0	0
Durie Hill elevator upgrade video surveillance	0	0	3	0	12	0	0	0	0	0
General parks furniture and signage	9	0	0	0	0	0	0	0	0	0

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Glen Logie rose garden, driveway, seating and walls	15	0	1	5	0	0	0	0	0	0
Hipango Park toilet, shelter upgrade and jetty repair	0	9	5	0	0	0	10	0	0	13
Durie Hill toilets	0	0	2	0	0	0	0	20	0	0
Lake Wiritoa accessibility, septic tank, roof and drains	0	0	7	27	0	0	0	0	0	0
Durie Hill steps/walkway - upgrade fences and paths	22	0	0	0	0	0	0	0	0	0
Moutoa Gardens replace roof	0	0	0	0	0	0	4	0	0	0
Play equipment - Landon and Carlton Avenue	0	0	0	103	0	0	0	0	0	0
Play equipment - Hutton	0	93	0	0	0	0	0	0	0	0
Play equipment - Mowhanau	0	0	106	0	0	0	0	0	0	0
Toilet upgrade deferral costs	50	0	0	0	0	0	0	0	0	0
Otamatea Park upgrade water heating and fencing	8	0	0	0	0	0	0	0	0	0
Otamatea Park reroof	0	33	0	0	0	0	0	0	0	0
Otamatea reserve seismic structural upgrade of building	0	0	0	0	173	0	0	0	0	0
Mowhanau Beach	0	0	0	0	7	0	0	0	0	6
Ototoka Beach safety barrier top cliff	3	0	0	0	0	0	0	0	0	0
Ototoka Beach rebuild toilets exterior	0	0	0	0	0	5	0	0	0	0
Ototoka Beach major repairs/replace deck/handrails	0	0	0	0	0	0	9	0	0	0
Vehicle replacement	0	0	16	0	0	33	18	0	0	0
Cenotaph repairs	50	0	0	0	0	0	0	0	0	0
Kowhai Park - repair roading and castle	45	26	21	11	22	0	0	0	0	0
Queens Park - Irrigation, contour and cannon upgrade	0	0	6	0	0	10	0	13	0	0
Virginia Lake - toilets	0	0	211	0	0	0	0	241	0	0
Winter Gardens - fences, paths, drainage, retaining walls	0	25	7	0	6	0	0	5	0	6
Virginia Lake aviary - small aviary replacements	18	0	0	0	30	23	0	0	0	0
Virginia Lake - cafe fencing, drains and gas heating	0	15	0	0	6	0	0	3	2	0
Kowhai Park toilets	250	0	0	0	0	0	0	0	0	0
Virginia Lake edge stabilising, south entrance	63	33	32	11	28	29	29	14	12	22
Castlecliff - Playground equipment	0	21	0	0	0	0	0	0	0	0
Premier parks furniture, fences and signage	8	8	8	9	9	9	9	10	10	10
Winter Gardens upgrade floor covering entrance	3	0	0	0	0	0	0	0	0	0
Braves Softball park work	0	0	0	3	0	0	14	0	25	0
Spriggens Park level turf	0	15	0	0	0	0	0	0	0	0
Victoria Park - SPCA upgrade drains	4	0	0	0	0	0	0	0	0	0
Victoria Park - Harriers rewire and water heating	0	0	0	0	0	0	0	36	0	0
Peat Park toilet replacement	0	154	0	0	0	0	0	0	0	0
Springvale Park toilet upgrade and reseal carpark	0	216	0	0	0	0	0	0	0	0

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Wembley replace fencing adult fields	0	16	0	0	0	0	0	0	0	0
Pensioner housing building and improvements	45	46	48	49	50	51	53	54	55	57
Council Chambers	0	0	0	0	17	0	64	0	80	0
Council 101 Guyton St - alarm upgrade	22	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - office refitting	9	9	10	0	0	0	0	0	0	0
Council 101 Guyton St - circulation pumps	0	0	21	0	0	0	0	0	0	0
Council 101 Guyton St - first floor toilet	0	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - asphalt front carpark	14	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - security upgrade	15	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - toilet fans	3	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - rear fence	8	0	0	0	0	0	0	0	0	0
Council 101 Guyton St - carpet regulatory	0	38	0	0	0	0	0	0	0	0
Council 101 Guyton St - carpet 2nd floor	0	32	0	0	0	0	0	0	0	0
Council 101 Guyton St - vinyl	0	0	5	0	0	0	0	0	0	0
Council 101 Guyton St - airconditioning upgrade	49	0	0	67	10	23	41	11	11	11
176 Ridgway Street works	0	0	0	3	3	0	0	0	0	0
180 Ridgway Street depot - guttering	0	0	11	0	0	0	26	83	0	0
1H Taupo Quay - replace rotten weatherboards	5	0	0	0	10	0	18	6	6	0
23 Taupo Quay - reseal carpark	0	11	0	0	0	0	0	0	0	0
7 Taupo Quay	0	0	0	0	59	0	0	0	0	0
Parks yard - structural repairs to vehicle shelters	3	8	4	0	30	0	20	5	0	0
180 Ridgway Street depot - chattels floor covering	0	9	0	0	0	0	0	0	0	0
Parks yard - replace security system	0	5	0	2	0	0	0	0	0	0
Community House - reroof, boiler, toilet, fire items	0	0	0	0	0	0	231	0	0	0
Mowhanau camp and cottage electrical upgrade	0	0	0	0	0	0	0	0	0	0
Mowhanau camp and cottage repile café, drive, floors	0	5	0	0	0	0	0	0	0	0
Mowhanau camp and cottage replace fencing	0	0	0	0	0	14	0	0	0	0
Mowhanau camp and cottage replace cookers	0	0	0	0	0	0	4	0	0	0
Mowhanau camp and cottage septic tank and drains	0	0	0	0	0	0	0	18	0	0
Mowhanau camp and cottage replace roof	0	0	0	0	0	0	0	0	14	0
Property general works	0	0	26	33	119	0	29	0	0	135
Splash Centre replacement programme	38	22	69	30	40	19	20	2	26	19
Property and facilities total	940	1,370	799	879	773	360	2,228	2,119	1,895	4,279

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Library buildings and improvements	21	15	0	0	0	0	0	46	55	0
Alexander Library	0	0	0	0	0	37	0	0	0	8
Mobile Library refurbishment	0	0	42	0	0	0	0	0	0	0
Alexander Library furniture and fittings	0	0	0	0	0	0	0	0	4	0
Davis Library - carpet replacement	0	0	0	97	0	0	0	0	0	0
Library book and digital collection replacement	320	329	338	347	356	365	375	385	395	405
Regional Museum roof replacement and rewire	0	0	0	200	0	0	0	0	23	0
Opera House exterior cladding and security upgrade	14	0	0	0	0	0	0	0	0	0
Opera House reseal/ repaint carpark	0	6	0	0	0	0	0	0	0	0
Opera House main roof replacement	0	0	0	0	0	0	0	0	32	0
Opera House seating	0	0	159	164	167	0	0	0	49	0
Sarjeant Gallery - Replace fibreglass roofing	0	0	0	87	0	0	0	0	0	0
Sarjeant Gallery - Boiler replacement	0	0	0	0	0	0	0	38	0	0
Tylee Cottage - Exterior cladding and upgrade walls	3	0	0	0	0	0	0	0	0	0
Tylee Cottage - Upgrade fire alarm	0	0	0	11	0	0	0	0	0	0
Tylee Cottage - Plumbing and accessibility upgrade	0	0	0	0	17	0	0	0	0	0
Tylee Cottage - Upgrade driveway	0	0	0	0	0	0	5	0	0	0
Sarjeant Gallery - Weatherproof roof	220	0	0	0	0	0	0	0	0	0
Tylee Cottage - floor coverings	0	0	0	10	0	0	0	0	0	0
War Memorial Hall building and improvements	0	15	75	65	329	58	0	0	0	18
War Memorial Hall furniture and fittings	16	161	1	13	0	0	12	20	0	0
Community and culture total	594	527	615	992	869	460	391	490	558	431
Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
i-SITE relocation	450	566	0	0	0	0	0	0	0	0
Strategy and development total	450	566	0	0	0	0	0	0	0	0

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Replace Airport café fridge, couch, terminal chairs	0	2	0	2	0	0	8	0	11	1
Replace Airport ute	0	0	0	16	0	0	0	0	18	0
Airport street lighting replacement	0	1	0	33	5	0	4	0	2	0
Parking replacements	0	3	6	14	46	10	23	0	0	0
Parking PDA replacements	25	0	0	0	0	0	0	0	0	0
Footpaths and berms annual replacement programme	303	312	320	328	337	345	355	364	374	383
Roading drainage renewals	1,212	1,248	1,281	1,314	1,348	1,382	1,419	1,458	1,495	1,533
Emergency management first response	300	309	317	325	334	342	351	361	370	380
Roading pavement rehabilitation	923	777	798	307	478	684	468	481	493	506
Sealed road resurfacing	2,252	2,622	2,877	2,493	2,558	2,622	2,693	2,766	2,837	2,910
Roading structures replacements	385	402	465	0	0	205	0	0	0	0
Traffic services renewals	230	237	243	249	256	262	269	277	284	291
Unsealed road metalling	410	422	433	444	456	467	480	493	506	519
Wyley's Bridge design and construction	0	0	164	1,480	0	0	0	0	0	0
Transport total	6,040	6,336	6,905	7,006	5,816	6,321	6,071	6,200	6,389	6,522
Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
New connections (in and out costs)	0	10	0	0	28	0	0	30	0	0
Maxwell Rural Scheme	15	0	0	22	0	0	23	0	0	0
City water pipe maintenance	1,100	1,493	1,533	1,572	1,612	1,653	2,028	2,023	2,075	2,128
Connect Airport and Putiki South to urban water supply network	0	0	159	163	0	0	0	0	0	0
Castlecliff water main	0	0	0	0	1,668	1,710	0	0	0	0
Urban supply	250	257	264	271	278	285	293	301	308	316
Reservoir	0	0	0	2,168	2,224	0	0	0	0	0
Westmere Rural Scheme	0	31	0	0	0	46	0	0	0	51
Removal of culvert (Aramoho/Ravensdown)	85	0	0	0	0	0	0	0	0	0
Ocean outfall	150	0	0	0	0	0	0	0	0	0
Wastewater network replacement programme	0	0	0	0	0	0	1,132	1,163	1,192	1,223
City wastewater - urban reticulation maintenance	251	526	1,057	1,084	1,112	1,140	1,171	1,203	1,233	1,265
Water total	1,851	2,317	3,012	5,279	6,922	4,834	4,647	4,719	4,809	4,983

Capital expenditure - replacements

Description	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Administration furniture and fittings	30	31	32	33	33	34	35	36	37	38
Replace administration and pool vehicles	0	0	32	43	0	67	0	0	86	0
Governance buildings and improvements	0	6	0	0	7	0	0	0	0	0
Mayor's vehicle replacement	0	0	32	0	33	0	0	36	0	0
Archives relocation and repaint office	33	0	0	0	0	0	0	0	0	0
Records fax machine	5	0	0	0	0	0	0	0	0	0
Server replacement	0	0	370	0	0	399	0	0	432	0
PC replacement programme	143	135	139	142	146	149	153	158	162	166
IT recabling	0	103	0	0	0	0	0	0	0	0
Infrastructure vehicle replacements	0	0	173	22	171	87	105	65	0	180
Civil Defence plant replacement	0	0	0	20	23	5	5	5	5	0
Civil Defence vehicles	0	0	57	0	0	0	32	32	0	0
Rural Fire plant replacement	11	21	18	8	16	13	12	17	20	29
Rural Fire vehicles	0	0	31	0	167	0	34	180	0	0
Animal control vehicles	0	0	23	27	0	0	26	0	0	0
Building services vehicles	0	0	32	0	0	0	0	0	18	0
Environmental health vehicles	0	0	16	54	0	17	0	0	0	0
Regulatory services vehicles	0	0	48	0	0	17	35	0	0	0
Corporate and governance total	221	296	1,001	348	597	788	437	529	760	413
Total capital replacements	10,095	11,412	12,332	14,504	14,977	12,764	13,774	14,057	14,411	16,628

Funding impact statement

Background

The Local Government Act 2002 (LGA) requires the Council to include a funding impact statement in its 10-Year Plan. The information required to be shown in the statement is set out in clause 10 of Schedule 10 of the LGA, together with sections 13 to 19 of the Local Government (Rating) Act 2002.

Revenue and financing mechanisms

The revenue and financing mechanisms to be used by the Council in relation to the 10-Year Plan can be found in the Revenue and financing policy on page 135 of this volume. These apply to all years covered by this plan.

Council funds total operating costs from general rates, community facilities rates, targeted rates, user fees, subsidies and other revenue. Borrowings and transfers from special funds are used to fund major capital items and to smooth rates rises between years.

Council's peak debt is estimated at \$89M in 2012/13. User fees have been increased at the estimated rate of inflation.

The majority of Council subsidies are from New Zealand Transport Agency, and are generally 62% of Council's applicable roading costs.

Funding impact statement

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
General rate											
General rate	7,986	8,456	8,468	8,614	8,430	8,544	8,872	8,822	9,234	9,314	9,425
	7,986	8,456	8,468	8,614	8,430	8,544	8,872	8,822	9,234	9,314	9,425
Community facilities rate	9,457	11,026	12,020	11,950	11,819	11,788	12,241	13,082	13,538	13,041	13,168
Targeted rates											
Central Business District services	420	455	468	481	493	506	519	532	547	561	575
Roads and footpaths	5,002	4,822	5,794	6,359	6,994	7,793	8,542	9,438	9,841	10,843	11,798
Storm damage	648	648	0	0	0	0	0	0	0	0	0
City water	3,847	3,696	4,034	4,439	4,908	5,469	5,592	5,875	6,028	6,514	6,532
City water firefighting capacity	1,027	1,027	1,057	1,085	1,113	1,142	1,171	1,202	1,235	1,266	1,299
Mowhanau water supply	26	26	26	27	28	28	29	30	31	32	32
Putiki South water supply	9	11	11	12	12	12	13	13	13	14	14
Westmere water supply	40	40	41	42	43	44	45	47	48	49	50
Maxwell water supply	41	31	32	32	33	34	35	36	37	38	39
Fordell water supply	35	35	36	37	38	39	40	41	42	43	44
City wastewater	3,198	3,040	3,190	3,469	3,701	4,058	4,213	4,521	4,643	5,020	5,526
Marybank wastewater	18	18	18	19	19	20	20	21	21	22	22
Mowhanau wastewater	23	22	23	23	24	25	25	26	27	27	28
Stormwater disposal	3,680	3,514	3,732	4,035	4,432	4,878	5,080	5,326	5,556	5,989	6,434
Water by meter charges	1,676	1,902	1,958	2,010	2,061	2,114	2,168	2,226	2,287	2,345	2,153
Trade waste charges	1,565	1,665	1,808	1,856	1,903	1,953	2,002	2,056	2,112	2,166	2,222
	21,255	20,950	22,228	23,927	25,802	28,115	29,494	31,391	32,467	34,928	36,768
User fees	9,750	9,435	10,079	10,753	11,194	11,910	12,373	12,848	13,438	13,950	14,705
Subsidies	9,056	8,265	9,260	8,971	8,737	8,040	8,530	10,028	11,963	12,233	9,014
Other revenue	963	837	837	2,077	2,177	3,177	2,077	2,077	2,077	2,077	2,477
Borrowing	6,020	5,700	5,189	3,881	1,819	(1,208)	(3,933)	(3,362)	(6,267)	(7,950)	(7,416)
Transfers from special funds	372	(402)	(492)	(624)	(840)	(944)	118	(763)	(558)	(1,077)	(1,347)
Total funding	64,859	64,267	67,591	69,549	69,139	69,423	69,772	74,123	75,893	76,516	76,795

Funding impact statement - rates information

Notes:

- (1) The rates requirement figures quoted in the sections below include GST.
- (2) Some expressions, including the differential categories, are defined later in this section.

Uniform annual general charge

The council is not setting a uniform annual general charge.

General rate

A differential general rate, set under section 13 of the Local Government (Rating) Act 2002, on the land value of each rating unit as follows:

Cents in the dollar:

Properties used for commercial or industrial purposes	1.1046
Properties not used for commercial or industrial purposes that are:	
less than 0.5 hectares	0.3890
greater than 0.5 hectares but less than 1 hectare	0.3486
greater than 1 hectare but less than 2 hectares	0.3082
greater than 2 hectares but less than 3 hectares	0.2678
greater than 3 hectares but less than 4 hectares	0.2274
greater than 4 hectares but less than 5 hectares	0.1870
greater than 5 hectares but less than 10 hectares	0.1466
greater than 10 hectares	0.1062

Amount to be collected: \$9,512,664.

Targeted rates

Storm damage rate

A differential targeted rate for storm damage, set under section 16 of the Local Government (Rating) Act 2002, as a fixed amount per separately used or inhabited part of a rating unit as follows:

Commercial	\$34.82 per separately used or inhabited part of a rating unit
Residential	\$34.82 per separately used or inhabited part of a rating unit
Farming	\$39.82 per separately used or inhabited part of a rating unit

Amount to be collected: \$735,414.

Community facilities rate

A uniform targeted rate for community facilities set under section 16 of the Local Government (Rating) Act 2002 of \$592.90 per separately used or inhabited part of a rating unit.

Amount to be collected: \$12,404,101.

Roads and footpaths rate

A differential targeted rate for roads and footpaths set under section 16 of the Local Government (Rating) Act 2002, on the capital value of each rating unit as follows:

Commercial	0.16057 cents per dollar of capital value on every rating unit in the 'Commercial' category.
Residential	0.05611 cents per dollar of capital value on every rating unit in the 'Residential' category.
Farming	0.10774 cents per dollar of capital value on every rating unit in the 'Farming' category.

Amount to be collected: \$5,384,807.

Funding impact statement - rates information

City water supply

A differential targeted rate for city water supply set under section 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Connected	\$236.76 per separately used or inhabited part of a rating unit that is connected to the city water system.
Serviceable	\$118.38 per separately used or inhabited part of a rating unit for which connection to the city water system is available.
Metered Supply	76.37 cents per cubic metre. Subject to a minimum charge of \$236.76 which gives an allocation of 310 cubic metres
Rural Extraordinary	A minimum charge of \$206.50 per separately used or inhabited part of a rating unit for up to 310 cubic metres of water, plus 66.6 cents per cubic metre for supply in excess of 310 cubic metres, under section 19 of the Act.

Amount to be collected: \$6,016,108 including water by meter.

City water firefighting

A targeted uniform rate for provision and maintenance of firefighting on rating units within the city water supply area set under section 16 of the Local Government (Rating) Act 2002 of 0.02382 cents per dollar of capital value on each rating unit. For firefighting, city water supply excludes the rural extraordinary and Mowhanau extraordinary differential categories.

Amount to be collected: \$1,098,701.

Putiki South and Airport water supply

A differential targeted rate to meet the costs of the Putiki South and Airport water supply, set under section 16 of the Local Government (Rating) Act 2002, on the basis of each separately used or inhabited part of a rating unit that has a normal water connection or for which connection is available, as follows:

Connected	\$206.50 per separately used or inhabited part of a rating unit that is connected to the Putiki South and Airport water system.
Serviceable	\$103.25 per separately used or inhabited part of a rating unit for which connection to the Putiki South and Airport water system is available.
Metered Supply	66.6 cents per cubic metre. Subject to a minimum charge of \$206.50 which gives an allocation of 310 cubic metres

Amount to be collected: \$11,048.

Mowhanau water supply

A differential targeted rate to meet the costs of Mowhanau water supply, set under section 16 and section 19 of the Local Government (Rating) Act 2002, as follows:

Connected	\$236.76 per separately used or inhabited part of a rating unit that is connected to the Mowhanau water system.
Serviceable	\$118.38 per separately used or inhabited part of a rating unit for which connection to the Mowhanau water system is available.
Mowhanau Extraordinary	\$1.125 per cubic metre of water supplied to any rating unit in the 'Mowhanau Extraordinary' category connected to the Mowhanau water system.

Amount to be collected: \$29,018.

Maxwell water supply

A differential targeted rate to meet the costs of the Maxwell water supply, set under sections 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Residential	\$337.50 per separately used or inhabited part of a rating unit in the 'Residential' category connected to the Maxwell water system.
Dairy	\$67.50 per hectare on every rating unit in the 'Dairy' category connected to the Maxwell water system

Funding impact statement - rates information

Rural \$14.91 per hectare on every rating unit within the 'Rural' category connected to the Maxwell water system.

Plus 56.25 cents per cubic metre of water supplied to every rating unit connected to the water system. The minimum charge shall be \$337.50 plus 56.25 cents per cubic metre.

Amount to be collected: \$76,865 including water by meter.

Westmere water supply

A targeted rate, set under section 19 of the Local Government (Rating) Act 2002, to meet the cost of the Westmere water supply of 70.0 cents per cubic metre of water supplied to any rating unit connected to the Westmere water system. This rate will be subject to a minimum charge of \$200.00 per annum.

Amount to be collected: \$115,581 including water by meter.

Fordell water supply

A differential targeted rate to meet the costs of the Fordell water supply, set under sections 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Residential	\$173.78 per separately used or inhabited part of a rating unit in the 'Residential' category connected to the Fordell water system.
Rural	\$8.34 per hectare on every rating unit in the 'Rural' category connected to the Fordell water system.
Dairy	\$31.62 per hectare on every rating unit in the 'Dairy' category connected to the water system.
Other	69.5 cents per cubic metre supplied on every rating unit in the 'Other' category connected to the water system.

Amount to be collected: \$40,746 including water by meter.

City wastewater

A differential targeted rate for the operations, maintenance and development of the city wastewater disposal system set under section 16 of the Local Government (Rating) Act 2002, as follows:

Residential	\$182.67 per separately used or inhabited part of a rating unit that is in the 'Residential' category and is connected to the city wastewater disposal system.
Other one pan	\$182.67
Other multi pans	\$91.33 per pan.

Amount to be collected: \$3,420,031.

Trade wastes

A uniform targeted rate to meet the costs of the conveyance, treatment and disposal of large volume trade waste discharges through the city wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002 on the basis of the extent of the provision of the service. The rates will be based on a combination of the total volume, the average and peak quantity of biochemical oxygen demand (BOD), and the quantity of suspended solids (SS) for properties that generate greater than 100 cubic metres on average per day.

The rates are:

\$0.18 per m³ of effluent volume discharged, plus
 \$55.07 per kg/d annual average biochemical oxygen demand (BOD), plus
 \$12.31 per kg/d averaged 3 day peak period biochemical oxygen demand (BOD), plus
 \$21.52 per kg suspended solids (SS) measured on an average basis

Amount to be collected: \$1,873,125.

Marybank wastewater

A differential targeted rate to meet the costs of the Marybank wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, as follows:

Funding impact statement - rates information

Connected	\$370.00 per separately used or inhabited part of every rating unit in the 'Connected' category that is connected to the Marybank wastewater disposal system.
Serviceable	\$185.00 per separately used or inhabited part of every rating unit in the 'Serviceable' category for which connection is available to the Marybank wastewater disposal system.

Amount to be collected: \$20,165.

Mowhanau wastewater

A differential targeted rate to meet the costs of the Mowhanau wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, as follows:

Connected	\$381.70 per separately used or inhabited part of every rating unit in the 'Connected' category that is connected to the Mowhanau wastewater disposal system.
Serviceable	\$190.85 per separately used or inhabited part of every rating unit in the 'Serviceable' category for which connection is available to the Mowhanau wastewater disposal system.

Amount to be collected: \$25,765.

Stormwater disposal

A differential targeted rate to meet the costs of the city stormwater disposal system, set under section 16 of the Local Government (Rating) Act 2002 on the basis of the capital value of each rating unit that has a connection or for which connection is available. This charge will be set on a differential basis based on the availability of the service. The categories are 'Connected' and 'Serviceable'.

Connected	0.1098 cents in the dollar on capital value on every rating unit in the 'Connected' category that is connected to the city stormwater disposal system.
Serviceable	0.0549 cents in the dollar on capital value on every rating unit in the 'Serviceable' category that is not connected but

is practicably able to be connected and within 30 metres of the City stormwater disposal system.

Amount to be collected: \$3,952,953.

Stormwater separation loans

A targeted rate under Section 16 to meet the repayment of advances made to assist with the costs of separation of stormwater and wastewater set under section 16 of the Local Government (Rating) Act 2002.

Properties subject to this rate are those to which Council has made a stormwater separation loan. Stormwater separation loans have been made to assist property owners with the cost of separating wastewater and stormwater. Property owners can opt to have the loans over a period of two to five years with the first two years being interest free. The documentation for the advances records that the loans are secured as a rate. To formalise that process the repayment is included in the rates setting process. The loans are on a differential basis according to the term selected by the ratepayer.

The rates are:

Loan over 2 years – a rate of 50 cents for each dollar originally advanced by the Council.

Loan over 3 years – a rate of 33.85 cents for each dollar originally advanced by the Council.

Loan over 4 years – a rate of 25.99 cents for each dollar originally advanced by the Council.

Loan over 5 years – a rate of 21.33 cents for each dollar originally advanced by the Council.

Funding impact statement - rates information

Central Business District (CBD) services

A differential targeted rate to meet the costs of CBD cleaning, maintenance and the Mainstreet Wanganui promotional levy, set under section 16 of the Local Government (Rating) Act 2002, on all commercial rating units in CBD A and CBD B as follows:

CBD A	0.3605 cents per dollar of capital value on every rating unit that is in the 'CBD A' category.
CBD B	0.1442 cents per dollar of capital value on every rating unit that is in the 'CBD B' category.

Plus \$295.70 per separately used or inhabited part of a rating unit for every rating unit that is in the 'CBD A' or 'CBD B' category.

Amount to be collected: \$511.591.

Separate works rates

Targeted rates to finance the costs of capital development of the roading network in the areas defined below, set under section 16 of the Local Government (Rating) Act 2002.

Whangaehu Valley Road N ^o 1	Upper Whangaehu Road
Whangaehu Valley Road N ^o 2	Mangamahu Road and Creek Road
Whanganui River Road	Junction to the boundary

The following separate works rates will be assessed on the land value of each rateable property in the appropriate area. Total revenue is quoted in each case.

Whangaehu Valley Road N ^o 1	to collect \$11,580, a rate of 0.03614 cents per dollar of land value.
Whangaehu Valley Road N ^o 2	to collect \$9,350, a rate of 0.02060 cents per dollar of land value.
Whanganui River Road	to collect \$18,900, a rate of 0.07225 cents per dollar of land value.

Currently Council collects special rates in the Whangaehu Valley Road and Whanganui River Road areas. While Council itself does not contribute

to the roading improvements on these roads, Council does collect a special rate on behalf of the local ratepayers for roading improvements that meet New Zealand Transport Agency's funding Net Present Value criteria.

Council has allocated \$150,000 in these areas in 2014/15 and 2018/19.

Separately used and inhabited part of rating unit (SUIPs)

The following definition will be applied to a Separately Used or Inhabited Part of a Rating Unit (SUIP): any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.

Differential categories

Where councils propose to assess rates on a differential basis, they are limited to the list of matters specified in schedule 2 of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose and the categories of any differentials. The Council has adopted the following differential categories for the 2009/10 financial year.

General rate

Differentials based on use. The Council will differentiate the general rate based on use and area.

The differential categories include:

- A. Commercial or industrial properties means –
 - (a) All land used for any commercial or industrial purposes.
 - (b) All land used by any government department or agency or local body agency.
 - (c) All vacant land within the Wanganui district which is zoned for commercial or industrial purposes.
 - (d) All land used for educational purposes not otherwise exempted by legislation.

Funding impact statement - rates information

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

1. A home occupation as defined by the operative Wanganui District Plan; and
 2. Farming or horticulture.
- B. Less than .5 hectares means – Any rating unit not included in A above with a land area of less than 5,000 square metres.
- C. Greater than 5,000 square metres but less than 1 hectare means – Any rating unit not included in A above with a land area of 5,000 square metres or more but less than 10,000 square metres.
- D. Greater than 1 hectares but less than 2 hectares means – Any rating unit not included in A above with a land area of 10,000 square metres or more but less than 20,000 square metres.
- E. Greater than 2 hectares but less than 3 hectares means – Any rating unit not included in A above with a land area of 20,000 square metres or more but less than 30,000 square metres.
- F. Greater than 3 hectares but less than 4 hectares – Any rating unit not included in A above with a land area of 30,000 square metres or more but less than 40,000 square metres.
- G. Greater than 4 hectares but less than 5 hectares – Any rating unit not included in A above with a land area of 40,000 square metres or more but less than 50,000 square metres.
- H. Greater than 5 hectares but less than 10 hectares – Any rating unit not included in A above with a land area of 50,000 square metres or more but less than 100,000 square metres.
- I. Greater than 10 hectares – Any rating unit not included in A above with a land area of 100,000 square metres or more.

Rating units that have more than one use (or where there is doubt about the primary use) will be placed in the category with the highest differential factor. The Council may consider rating such a property by apportioning the land value between the separate uses and rate each portion according to the appropriate category. Note that, subject to rights of objection to the rating information database set out in Section 29 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

Roads and footpaths rate

Commercial

- (a) All land used for any commercial or industrial purposes.
- (b) All land used by any government department or agency or local body agency.
- (c) All vacant land within the Wanganui district which is zoned for commercial or industrial purposes.
- (d) All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

1. A home occupation as defined by the operative Wanganui District Plan; and
2. Farming or horticulture.

Farming

All rating units not included within the 'Commercial' category where the land area is 30,000 square metres or greater.

Residential

All rating units not included within the 'Commercial' category where the land area is less than 30,000 square metres.

Storm damage rate

Council proposes to differentiate the storm damage rate based on use and area.

Commercial

- a. All land used for any commercial or industrial purposes.
- b. All land used by any government department or agency or local body agency.
- c. All vacant land within the Wanganui district which is zoned for commercial or industrial purposes.
- d. All land used for educational purposes not otherwise exempted by legislation.

Funding impact statement - rates information

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

1. A home occupation as defined by the operative Wanganui District Plan; and
2. Farming or horticulture.

Farming

All rating units not included within the 'Commercial' category where the land area is 30,000 square metres or greater.

Residential

All rating units not included within the 'Commercial' category where the land area is less than 30,000 square metres. Rating units that have more than one use (or where there is doubt about the primary use) will be placed in the category with the highest differential factor. Note that, subject to 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.

Central Business District services rate

Council proposes to differentiate the CBD services rate based on use and where the land is situated:

- | | |
|-------|--|
| CBD A | The commercial properties in: Victoria Avenue from Taupo Quay to Ingestre Street, Guyton Street from St Hill Street to Wicksteed Street, Maria Place from St Hill Street to Watt Street, Ridgway Street from St Hill Street to Drews Avenue. |
| CBD B | All commercial properties inside the area bounded by St Hill Street, Ingestre Street, Wicksteed Street, Watt Street, Drews Avenue, Taupo Quay, which are not included as CBD A. In all cases the street refers to the street centre line. |

Commercial

- a. All land used for any commercial or industrial purposes.
- b. All land used by any government department or agency or local body agency.

- c. All vacant land within the Wanganui district which is zoned for commercial or industrial purposes.
- d. All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

1. A home occupation as defined by the operative Wanganui District Plan; and
2. Farming or horticulture.

City wastewater disposal rates

- | | |
|------------------|---|
| Residential | Any rating unit used as a residence for not more than one household and connected to the city wastewater disposal system. |
| Other | Any rating unit that is not used primarily as a residence. |
| Other one pan | Only one pan connected to the city wastewater system. |
| Other multi pans | More than one pan connected to the city wastewater system. |

Water rates

Differentials are based on the following categories:

- | | |
|------------------------|---|
| Connected | Any rating unit with an ordinary connection being a connection equivalent to 20mm MDPE pipe to the relevant water supply. |
| Serviceable | Any rating unit within 100 metres of the appropriate water reticulation system but that does not have a connection to the system. |
| Metered supply | Any rating unit that is not Rural Extraordinary and that has a connection greater than the equivalent of 20mm MDPE pipe to the applicable water supply. |
| Rural Extraordinary | Any rating unit in the rural ward that is connected to the City water supply. |
| Mowhanau Extraordinary | Any rating unit that is connected to the Mowhanau water supply. |
| Other | In relation to the Fordell water supply means the Fordell Saleyards. |
| Dairy | Any rating unit primarily used as a dairy farm. |

Funding impact statement - rates information

Rural Any rating unit that is not primarily a residence or a dairy farm.

Payment by instalment

Rates are payable in four equal instalments on the following due dates:

<i>Instalment</i>	<i>Due date</i>
Instalment 1	Wednesday, 19 August 2009
Instalment 2	Wednesday, 18 November 2009
Instalment 3	Wednesday, 17 February 2010
Instalment 4	Wednesday, 19 May 2010

Discount

A discount of 2.5% will be allowed on all net 2009/10 rates paid in full by the due date of the first instalment for 2009/10.

Additional charges (penalty)

An additional charge of 10% will be added to all instalments or part thereof remaining unpaid on the date that is seven (7) days after the due date as follows:

<i>Instalment</i>	<i>Date on which penalty will be added</i>
Instalment 1	Wednesday, 26 August 2009
Instalment 2	Wednesday, 25 November 2009
Instalment 3	Wednesday, 24 February 2010
Instalment 4	Wednesday, 26 May 2010

An additional charge of 10% will be added to all instalments of private wastewater separation loans remaining unpaid on the date that is seven (7) days after the due date.

Additional charges of 10% will be added to so much of any rates assessed [or private wastewater separation loan instalments due] in any previous financial year as remain unpaid on 1 July 2009 and 1 January 2010.

Funding impact statement - rates information

Land value	Capital value	2008/09 Rates	2009/10 Rates	Movement
<i>Residential</i>				
\$67,000	\$115,000	\$1,458	\$1,459	0.0%
\$59,000	\$129,000	\$1,456	\$1,517	4.2%
\$54,000	\$165,000	\$1,509	\$1,566	3.8%
\$34,000	\$130,000	\$1,366	\$1,422	4.1%
\$89,000	\$165,000	\$1,639	\$1,702	3.8%
\$45,000	\$148,000	\$1,442	\$1,499	3.9%
\$58,000	\$165,000	\$1,524	\$1,582	3.8%
\$68,000	\$210,000	\$1,530	\$1,591	4.0%
\$129,000	\$210,000	\$1,756	\$1,828	4.1%
\$104,000	\$260,000	\$1,883	\$1,941	3.1%
\$100,000	\$315,000	\$1,978	\$2,030	2.6%
\$161,000	\$400,000	\$2,143	\$2,209	3.0%
\$234,000	\$510,000	\$2,862	\$2,921	2.0%
\$139,000	\$510,000	\$2,510	\$2,551	1.7%
<i>Farming</i>				
\$340,000	\$360,000	\$739	\$749	1.3%
\$455,000	\$465,000	\$1,147	\$1,168	1.8%
\$540,000	\$750,000	\$1,922	\$2,010	4.6%
\$2,000,000	\$2,050,000	\$4,821	\$4,961	2.9%
\$1,950,000	\$2,400,000	\$4,615	\$4,657	0.9%
\$4,400,000	\$5,000,000	\$11,580	\$11,931	3.0%
\$4,600,000	\$5,500,000	\$12,367	\$12,473	0.9%
<i>Commercial</i>				
\$75,000	\$75,000	\$1,129	\$1,157	2.5%
\$70,000	\$145,000	\$2,171	\$2,243	3.3%
\$390,000	\$415,000	\$8,060	\$8,364	3.8%
\$350,000	\$375,000	\$7,378	\$7,660	3.8%
\$265,000	\$590,000	\$5,805	\$5,652	-2.6%
\$320,000	\$850,000	\$7,975	\$8,121	1.8%

Prospective statement of comprehensive income

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Income											
Rates revenue	35,458	36,865	38,950	40,625	42,086	44,381	46,437	49,013	50,841	52,773	54,988
Finance income	848	622	622	1,862	1,962	2,962	1,862	1,862	1,862	1,862	2,262
Subsidies	9,056	8,265	9,260	8,971	8,737	8,040	8,530	10,028	11,963	12,233	9,014
User fees and other income	13,106	13,217	14,060	14,834	15,374	16,193	16,758	17,345	18,052	18,676	19,294
Gains	0	172	204	176	194	199	213	226	202	175	187
Total income	58,468	59,141	63,096	66,468	68,353	71,775	73,800	78,474	82,920	85,719	85,745
Expenditure											
Operating costs	26,803	27,307	29,351	29,467	30,031	30,926	31,765	32,648	33,849	34,478	35,187
Personnel costs	11,819	11,818	12,312	12,639	12,962	13,297	13,634	14,000	14,381	14,748	15,128
Finance costs	5,587	5,613	5,994	6,311	6,511	6,532	6,352	6,097	5,760	5,262	4,725
Depreciation and amortisation expense	10,253	13,307	13,595	14,445	15,390	16,122	16,961	17,677	18,422	19,366	20,188
Total operating expenditure	54,463	58,045	61,252	62,862	64,894	66,877	68,712	70,422	72,412	73,854	75,228
Profit/(loss)	4,005	1,096	1,844	3,606	3,459	4,898	5,088	8,052	10,508	11,865	10,517
Other comprehensive income											
Gains on infrastructure assets revaluation	0	30,005	28,199	29,200	28,455	31,389	31,089	35,092	35,747	37,796	38,927
Gains on land and buildings revaluation	0	0	9,145	0	0	12,741	0	0	14,796	0	0
Total other comprehensive income	0	30,005	37,344	29,200	28,455	44,130	31,089	35,092	50,543	37,796	38,927
Total comprehensive income	4,005	31,101	39,188	32,806	31,914	49,028	36,177	43,144	61,051	49,661	49,444

Prospective statement of financial position

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Current assets											
Cash and cash equivalents	1,001	6,331	6,821	7,443	8,280	9,220	9,097	9,854	10,405	11,474	12,811
Trade and other receivables	6,990	6,990	7,197	7,595	8,182	8,965	9,945	11,140	12,556	14,187	16,040
Inventories	200	200	206	217	234	256	285	319	359	406	459
	8,191	13,521	14,224	15,255	16,696	18,441	19,327	21,313	23,320	26,067	29,310
Non-current assets											
Investment property	6,380	6,552	6,755	6,931	7,125	7,325	7,537	7,763	7,965	8,140	8,327
Forestry assets	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656	5,656
Intangible assets	667	46	197	247	138	29					
Other financial assets	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117
Derivative financial assets	784	784	784	784	784	784	784	784	784	784	784
Property, plant and equipment	739,420	844,450	887,982	923,819	956,627	1,003,411	1,035,590	1,074,383	1,128,407	1,168,866	1,209,360
	767,024	871,605	915,491	951,554	984,447	1,031,322	1,063,684	1,102,703	1,156,929	1,197,563	1,238,244
Total assets	775,215	885,126	929,715	966,809	1,001,143	1,049,763	1,083,011	1,124,016	1,180,249	1,223,630	1,267,554
Current liabilities											
Trade and other payables and provisions	5,500	5,500	5,663	5,976	6,438	7,052	7,825	8,765	9,879	11,163	12,620
Borrowings	-	-	-	-	-	1,203	3,944	4,580	10,219	11,349	13,731
Employee benefits	1,505	1,505	1,550	1,635	1,762	1,930	2,141	2,398	2,703	3,055	3,453
	7,005	7,005	7,213	7,611	8,200	10,185	13,910	15,743	22,801	25,567	29,804
Non-current liabilities											
Borrowings	70,816	79,316	84,505	88,386	90,205	87,794	81,120	77,122	65,216	56,135	46,338
Employee benefits	150	150	154	163	175	193	213	239	269	304	344
	70,966	79,466	84,659	88,549	90,380	87,987	81,333	77,361	65,485	56,439	46,682
Total liabilities	77,971	86,471	91,872	96,160	98,580	98,172	95,243	93,104	88,286	82,006	76,486
Net assets	697,244	798,655	837,843	870,649	902,563	951,591	987,768	1,030,912	1,091,963	1,141,624	1,191,068
Equity											
General reserves	649,023	541,045	542,398	545,379	547,999	551,952	557,158	564,447	574,397	585,185	594,356
Revaluation reserves	-	192,913	230,257	259,458	287,912	332,043	363,132	398,224	448,767	486,563	525,489
Restricted reserves	48,221	64,697	65,188	65,812	66,652	67,596	67,478	68,241	68,799	69,876	71,223
Total equity*	697,244	798,655	837,843	870,649	902,563	951,591	987,768	1,030,912	1,091,963	1,141,624	1,191,068

*Infrastructural asset revaluations at 30 June 2008 are not included in the 2008/09 balances

Prospective statement of cash flows

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Cash flows from operating activities											
Cash was provided from:											
Receipts from customers	57,620	58,347	62,058	64,021	65,593	67,808	70,717	75,158	79,399	82,004	81,390
Interest received	848	622	622	862	862	862	862	862	862	862	862
Dividends received	-	-	-	1,000	1,100	2,100	1,000	1,000	1,000	1,000	1,400
	58,468	58,969	62,680	65,883	67,555	70,770	72,579	77,020	81,261	83,866	83,652
Cash was applied to:											
Payments to suppliers and employees	38,623	39,125	41,451	41,698	42,392	43,422	44,396	45,426	46,780	47,556	48,418
Interest paid	5,587	5,613	5,994	6,311	6,511	6,532	6,352	6,097	5,760	5,263	4,725
	44,210	44,738	47,445	48,009	48,903	49,954	50,748	51,523	52,540	52,819	53,143
Cash flows from operating activities	14,258	14,231	15,235	17,874	18,652	20,816	21,831	25,497	28,721	31,047	30,509
Cash flows from investing activities											
Cash was applied to:											
Purchase of fixed assets	20,649	19,529	19,934	21,132	19,635	18,668	18,021	21,377	21,903	22,028	21,755
	20,649	19,529	19,934	21,132	19,635	18,668	18,021	21,377	21,903	22,028	21,755
Cash flows from investing activities	(20,649)	(19,529)	(19,934)	(21,132)	(19,635)	(18,668)	(18,021)	(21,377)	(21,903)	(22,028)	(21,755)
Cash flows from financing activities											
Cash was provided from:											
Loans raised	6,626	6,790	7,132	6,428	3,149	2,750	537	2,472	2,129	2,538	6,545
	6,626	6,790	7,132	6,428	3,149	2,750	537	2,472	2,129	2,538	6,545
Cash was applied to:											
Repayment of loans	606	1,090	1,943	2,547	1,330	3,958	4,470	5,834	8,396	10,489	13,961
	606	1,090	1,943	2,547	1,330	3,958	4,470	5,834	8,396	10,489	13,961
Cash from financing activities	6,020	5,700	5,189	3,881	1,819	(1,208)	(3,933)	(3,362)	(6,267)	(7,950)	(7,416)
Net movement in cash balance	(371)	402	491	622	837	940	(122)	757	551	1,069	1,337
Opening cash balance	1,372	5,929	6,331	6,822	7,444	8,281	9,221	9,098	9,855	10,406	11,475
Closing cash balance	1,001	6,331	6,822	7,444	8,281	9,221	9,099	9,855	10,406	11,475	12,812
Represented by											
Cash	1,001	6,331	6,822	7,444	8,281	9,221	9,099	9,855	10,406	11,475	12,812
	1,001	6,331	6,822	7,444	8,281	9,221	9,099	9,855	10,406	11,475	12,812

Prospective statement of changes in equity

	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
Equity at 1 July	693,239	767,554	798,655	837,843	870,649	902,563	951,591	987,768	1,030,912	1,091,963	1,141,624
Profit/(loss) for the year	4,005	1,096	1,844	3,606	3,459	4,898	5,088	8,052	10,508	11,865	10,517
Revaluation gains/(losses)	-	30,005	37,344	29,200	28,455	44,130	31,089	35,092	50,543	37,796	38,927
Equity at 30 June*	697,244	798,655	837,843	870,649	902,563	951,591	987,768	1,030,912	1,091,963	1,141,624	1,191,068

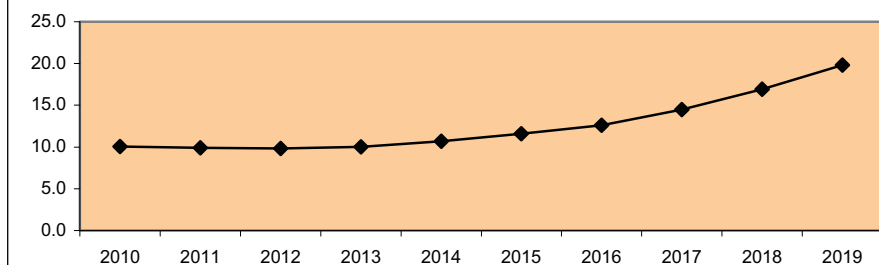
*Infrastructural asset revaluations at 30 June 2008 are not included in the 2008/09 balances

Schedule of financial statistics

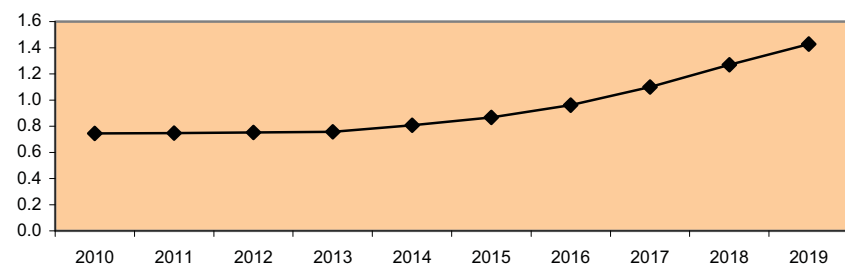
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Liquidity										
Working capital ratio	1.9	2.0	2.0	2.0	1.8	1.4	1.4	1.0	1.0	1.0
Term debt										
Equity to term debt	10.1	9.9	9.9	10.0	10.7	11.6	12.6	14.5	16.9	19.8
Income to term debt	0.7	0.7	0.8	0.8	0.8	0.9	1.0	1.1	1.3	1.4
Term debt per rateable property	\$3,869	\$4,096	\$4,259	\$4,324	\$4,246	\$4,041	\$3,866	\$3,558	\$3,173	\$2,815
Term debt per head of population	\$1,832	\$1,952	\$2,041	\$2,083	\$2,055	\$1,965	\$1,887	\$1,742	\$1,559	\$1,387
Term debt as a % of rates income	215%	217%	218%	214%	201%	183%	167%	148%	128%	109%
Times interest costs covered by rates	6.6	6.5	6.4	6.5	6.8	7.3	8.0	8.8	10.0	11.6
Interest as a % of total income	9.5%	9.5%	9.5%	9.5%	9.1%	8.6%	7.8%	6.9%	6.1%	5.5%
Cash investments & deposits										
Investments & deposits per rateable property	\$997	\$1,015	\$1,039	\$1,074	\$1,113	\$1,103	\$1,134	\$1,157	\$1,203	\$1,262
% of investments & deposits to rates income	55%	54%	53%	53%	53%	50%	49%	48%	48%	49%
% movement in investments and deposits	35.3%	2.4%	3.0%	3.9%	4.2%	-0.5%	3.3%	2.3%	4.4%	5.2%
Cash flow										
Operating cash flow generated as % of rates	39%	37%	38%	42%	42%	45%	45%	50%	54%	56%
Rates and other revenue										
% of total income from rates	62%	62%	61%	62%	62%	63%	62%	61%	62%	64%
Rates income per rateable property	\$1,798	\$1,888	\$1,958	\$2,017	\$2,117	\$2,206	\$2,319	\$2,398	\$2,481	\$2,577
% rates movement per rateable property	3.3%	5.0%	3.7%	3.0%	4.9%	4.2%	5.1%	3.4%	3.5%	3.9%
Total income per rateable property	\$2,885	\$3,058	\$3,203	\$3,277	\$3,424	\$3,506	\$3,714	\$3,911	\$4,030	\$4,018
Expenditure										
Total expenditure per rateable property	\$3,135	\$3,276	\$3,352	\$3,314	\$3,312	\$3,314	\$3,508	\$3,580	\$3,597	\$3,599
Capital expenditure as % of total income	33%	32%	32%	29%	26%	24%	27%	26%	26%	25%
Capital expenditure per rateable property	\$953	\$966	\$1,018	\$941	\$891	\$856	\$1,012	\$1,033	\$1,036	\$1,019
Note 1: Term debt ratios are calculated net of sinking funds										
Note 2: Rateable properties	20,501	20,631	20,751	20,861	20,961	21,051	21,131	21,201	21,271	21,341
Note 3: District population	43,300	43,300	43,300	43,300	43,300	43,300	43,300	43,300	43,300	43,300

Schedule of financial statistics

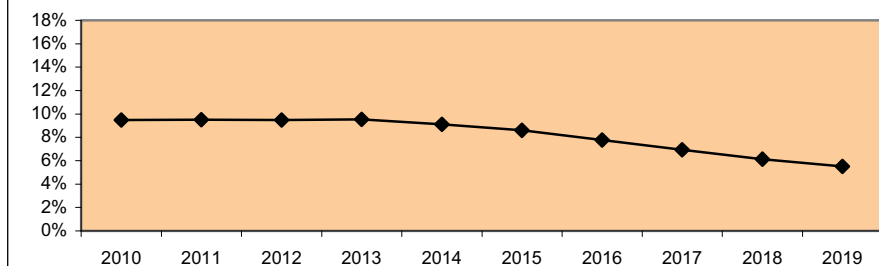
Equity to debt ratio



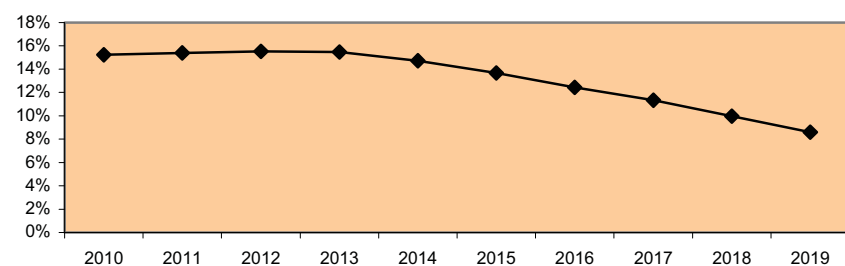
Income to debt ratio



Interest as a percentage of total income

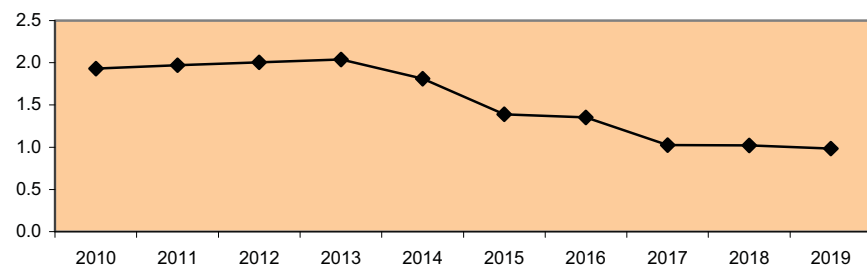


Interest as a percentage of rates income

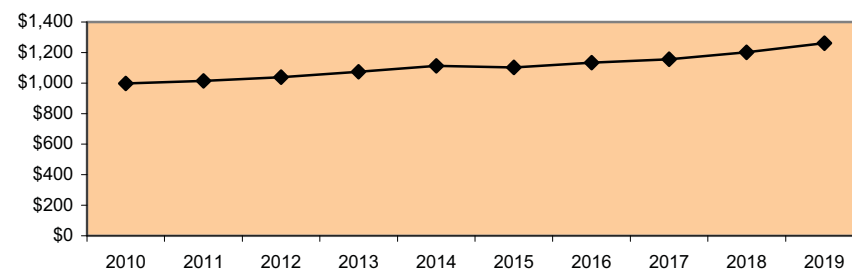


Schedule of financial statistics

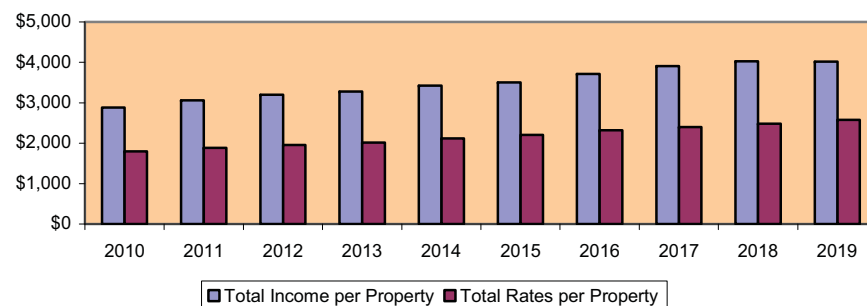
Working capital ratio



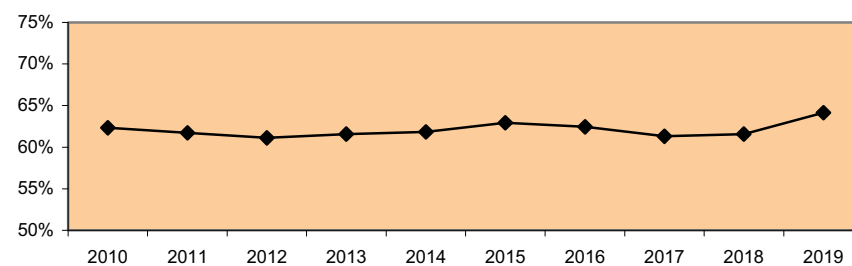
Cash & investments per property



Total income and rates income per property



Percentage of total income from rates



PART II

Policies

Statement of accounting policies

Reporting entity

Wanganui District Council ("the Council" and "WDC") is a territorial local authority governed by the Local Government Act 2002.

The Council's financial statements are for Wanganui District Council and the Wanganui Airport Joint Venture (50%) as an activity of Council. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the 10-Year Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council. The financial information contained within the 10 Year Plan may not be appropriate for purposes other than those described.

Statement of compliance and basis of preparation

The financial information contained within this report has been prepared in accordance with the generally accepted accounting practice in New Zealand as required under section 111 of the Local Government Act 2002, and the Long-term Council Community Plan requirements of section 93. It is audited under section 84 of the Local Government Act 2002. The primary purpose of WDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, for reporting purposes, the Council is a public benefit entity.

The Council authorised the prospective financial statements on 16 March 2009.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements are appropriate, has approved the 10-Year Plan for distribution.

No actual financial results have been incorporated within the prospective financial statements. The final prospective financial statements were adopted by the Council on 30 June 2009.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Specific accounting policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Government grants

WDC receives government grants from the New Zealand Transport Agency, which subsidises part of WDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Statement of accounting policies

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Development contributions

Development and financial contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time the Council provides or is able to provide, the service. Development contributions are classified as part of "Other revenue".

Borrowing costs

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

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

Hire purchase receivables

Hire purchase and other long term debtors are recognised at amortised cost and exclude unearned interest. Interest is recognised on an accrual basis month by month.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the WDC has transferred substantially all the risks and rewards of ownership.

WDC classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is categorised in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. WDC's financial assets at fair value through profit and loss include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values with gains or losses on remeasurement are recognised in the statement of financial performance.

Statement of accounting policies

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans, long term receivables and hire purchase long term debtors.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Loans to community organisations made by WDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's held to maturity investments include interest bearing bonds (National Bank Subordinated Bonds, Government Indexed Bonds, and Toyota Bonds) and deposits and sinking funds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. WDC's financial assets at fair value through equity comprise investments in quoted and unquoted shares. WDC includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These financial assets are: Unlisted shares in NZ Local Government Insurance Corporation Limited, Sarjeant Gallery NJ Young Fund with ABN Amro, listed shares in Vector Limited and listed shares in NZ Windfarm Limited.

WDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Fair value

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions

Statement of accounting policies

existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each balance sheet date WDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

Loans and receivables

Impairment of a loan or a receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance) is removed from equity and recognised in the statement of financial performance. Impairment losses recognised in the statement of financial performance on equity investments are not reversed through the statement of financial performance.

Derivative financial instruments

WDC uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, WDC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the statement of financial performance.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the statement of financial performance in the period of the write-down.

Statement of accounting policies

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are recorded at lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets – these include land, buildings, motor vehicles, plant and equipment and library books.

Restricted assets – these include artworks, cultural assets and parks and reserves. These assets provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – these include the fixed utility systems comprising the roading, airport runway, water reticulation and drainage systems, and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

WDC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

WDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and art works, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their

Statement of accounting policies

useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset type	Useful life	Depreciation rate
Buildings and leasehold improvements	6 to 50 years	2-15%
Plant and equipment	3 to 25 years	4-33%
Motor vehicles	3 to 8 years	13-33%
Library books	10 years	10%
<i>Infrastructural assets</i>		
Road network		
Pavement	12 years	8.3%
Basecourse	80 years	1.25%
Footpaths	50 years	2%
Bridges	100 years	1%
Kerb and channel	80 years	1.25%
Street lighting	50 years	2%
Culverts	60 years	1.6%
Wastewater system	20 to 120 years	1.2% - 5%
Water system	50 to 100 years	1% - 2%
Airport runway	50 years	2%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of WDC's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by WDC, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset type	Useful life	Amortisation rate
Computer software	3 years	33%

Statement of accounting policies

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated, replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber process, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the statement of financial performance.

The costs to maintain forestry assets are included in the statement of financial performance.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, WDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Statement of accounting policies

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits that WDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at, balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

WDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover those future absences.

WDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the

present value of the estimated future cash flows. The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Equity

Equity is the community's interest in WDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- retained earnings
- restricted reserves
- asset revaluation reserves
- fair value through equity reserves

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WDC.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

WDC's objectives, policies and processes for managing capital are described in note 35.

Statement of accounting policies

Goods and Service Tax (GST)

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

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Landfill post-closure costs

WDC, as past operator of the Balgownie landfill, has a legal obligation under the resource consent to provide on-going monitoring of the landfill after its closure. Post-closure monitoring costs are recognised as expenses when the obligation for post-closure arises.

Cost allocation

WDC has derived the cost of service for each significant activity of WDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in Accounting Policies

In accordance with Section 111 of the Local Government Act 2002 Council is required to comply with Generally Accepted Accounting Practice. Council reviews some accounting policies in conjunction with the International Financial Reporting Standards promulgated by the New Zealand Institute of Chartered Accountants when required.

Public private partnerships policy

This policy is prepared under sections 102 and 107 of the Local Government Act 2002.

Application

This policy only applies to partnerships with the private sector. "Partnership with the private sector" is defined in the Local Government Act 2002 to mean any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business; but does not include:

- arrangements or agreements to which the only parties are local authorities or one or more local authorities and one or more council organisations; or
- a contract for the supply of goods or services to, or on behalf of, a local authority.

(section 107(2) of the LGA)

As a consequence, **this policy applies to:**

1. Arrangements or agreements for provision of grants, loans, guarantees or investments between the Council and persons engaged in business;
2. Arrangements or agreements for a venture where the Council participates with a person engaged in business with some joint objective, whether or not that venture also involves the supply of goods or services by the joint venturer to or on behalf of the Council;
3. Any agreement with a person engaged in business to form a Council organisation, or any agreement to sell shares in a Council organisation to a person engaged in business (this will be in addition to the requirements of section 56 of the LGA if applicable).

But does **NOT** apply to:

1. Contracts between the Council and its ordinary suppliers of goods and services (for example of office supplies or legal services);
2. Contracts for the supply of goods and services between the Council and its agents for undertaking activities of the Council (such as building or maintaining roads);

3. Borrowing by the Council and the investment of Council funds purely for financial gain as these transactions will be addressed in the liability management and investment policies respectively;
4. Agreements with or grants to community organisations, charitable trusts and other community groups, government departments, not-for-profit-organisations, other local authorities and council controlled organisations.

Circumstances under which Council will consider a public/ private partnership

The Council will consider partnerships with the private sector where:

- A community outcome has been clearly defined, and
- There is a clear advantage to the community in terms of risk or cost from private sector provision.
- There is a clear efficiency in use of resources or there is scope for particular skills or innovative capacity.

Consultation

Any partnership with the private sector that involves a financial transaction that is significant in terms of Council's criteria for significance will be subject to consultation using the special consultative procedure in section 83 of the Local Government Act 2002.

Conditions

Requests for Council funding will be required to follow all relevant Council policies.

Significant partnerships will be subject to a contestable process if Council can identify other parties who can deliver the same outcome.

Contracts will be developed to identify:

- the risks; and
- where risk shall reside;
- clear deliverables;
- expectations of each party;
- enforcement provisions;

Public private partnerships policy

- how deliverables will be measured and monitored.

Risks

Council will assess and manage risks associated with partnerships with the private sector in a manner that is suitable to the size and nature of the service or outcome being delivered.

Monitoring

Partnerships will be required to submit a statement of intent to Council annually. That statement of intent outlines what the company will be doing in the next three years to meet its objectives and the desired outcomes of Council in relation to the partnership.

A six-monthly report will be required to report on progress against the objectives and the statement of intent.

An annual report is required to also report on objectives and the statement of intent.

The Council will monitor and report on the desired outcomes and progress toward achieving those outcomes as part of its annual planning and reporting processes.

Policy for remission of rates on Maori freehold land

This policy is prepared under sections 102 and 108 of the Local Government Act 2002.

This policy aims to:

1. Ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.
2. Implement a policy for providing rate relief on Maori land pursuant to Section 108 of the Local Government Act 2002.

Objectives

The objectives of this policy are:

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.

Definitions

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land which beneficial ownership has been determined by a freehold order issued by the Maori Land Court.

Rates means a general rate, a targeted rate or a uniform annual general charge set in accordance with the Local Government (Rating) Act 2002 and includes a penalty added to a rate.

Remission means a reduction to the amount of rates to be paid.

Remitted Rates means rates for which the requirement to pay is reduced.

Principles

The principles used in establishing this policy are:

- a) That, as defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.
- b) That the Council is required to consider whether it should have a policy on rates relief on Maori freehold land.
- c) That the Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectable.
- d) That applications for relief meet the criteria set by the Council.
- e) That the policy does not provide for the permanent remission of rates on the property concerned.

Conditions and criteria

Only land that is the subject of a freehold order issued by the Maori Land court may qualify for remission under this policy.

The Council will maintain a register titled the 'Maori Land Rates Relief Register' ('the Register') for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

This is used to achieve Objective (a). Application for land to be added to the Register should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council.

Owners or trustees making application should include the following information in their applications:

- a) Details of the property.
- b) The objectives that will be achieved by providing a remission.
- c) Documentation that proves the land which is the subject of the application is Maori freehold land. The Council may at its own discretion add properties to the lists.

Policy for remission of rates on Maori freehold land

Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time. The Council will review the Register annually and may:

- a) Add properties that comply.
- b) Remove properties where the circumstances have changed and they no longer comply.

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Maori land rates remissions register

The Council will consider remission for property that comes within the following criteria:

- a) The land is unoccupied and no income is derived from the use or occupation of that land; or
- b) The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land;
- c) The land is inaccessible and is unoccupied;
- d) Only a portion of the land is occupied.

The remission for land recorded in the Register will be 100% of any rates except targeted rates made for water supply, sewage disposal or waste management. Where the Council agrees to remit that part of the rate that relates to the unoccupied part of the property, the rates remitted will be the portion of the rates apportioned to that part of the property.

Note:

Under the Local Government Rating Act 2002 certain categories of land are not rateable under schedule 1. Those categories include:

- Customary Maori land.
- Maori land that does not exceed 2 hectares and on which a meeting house is erected.
- Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or its corresponding former provision and –
- That is used for the purposes of a marae or meeting house and that does not exceed 2 hectares.
- Land that does not exceed 2 hectares and that is used as –
- A Maori burial ground.

Policy on remission of rates

This policy is prepared under section 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of the same Act.

Remissions for rates are available for the following:

- Financial hardship
- properties affected by natural calamity
- community, sporting and other organisations
- penalties
- uniform charges on non-contiguous rating units owned by the same owner
- rates on properties protected for natural, historic or cultural conservation purposes

Definitions

Rates means a general rate, a targeted rate or a uniform annual general charge set in accordance with the Local Government (Rating) Act 2002 and includes a penalty added to a rate.

Remission means a reduction to the amount of rates to be paid.

Remitted Rates means rates for which the requirement to pay is reduced.

Financial hardship

Objective

The objective of this part of the policy is to assist personal ratepayers experiencing financial circumstances that affect their ability to pay rates.

Conditions and criteria

Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates remission for financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates remission for extreme financial circumstances. The ratepayer must be the current owner of the rating unit

that is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council offices).

The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section, Conditions and criteria. Where the Council is satisfied that the hardship is such that it would be better to write off a portion of the rate, rather than postpone payment, it can be done. For remission to be applied, the hardship will be more severe than would apply for postponement.

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, the Council must be satisfied that the ratepayer will not have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

Where the Council decides to remit rates, the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are remitted, as a general rule the ratepayer will be required to pay 50% of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made, depending on the circumstances.

Policy on remission of rates

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Remission for properties affected by natural calamity

Objective

To assist ratepayers who are suffering hardship due to the effects of a natural disaster or calamity.

Conditions and criteria

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of the rating unit that is the subject of the application.

The property must have been detrimentally affected by erosion, subsidence, submersion or other natural calamity. The effect does not need to be directly to the property but may have some impact on the use or revenue earning potential of the property.

The Council will consider, on a case-by-case basis, applications for remission. Where the Council is satisfied that the hardship is such that it would be better to write off a portion of the rate, rather than postpone payment, it can be done. For remission to be applied, the hardship will be more severe than would apply for postponement.

Council may choose to remit rates for properties, without application, where it is aware of the impacts of a natural calamity and determines it is reasonable in the circumstances to do so.

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Remissions for community, sporting and other organisations

Objective

To facilitate the ongoing provision of non-commercial (business), community services and non-commercial (business) recreational opportunities for the residents of Wanganui district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and criteria

This part of the policy will apply to land owned by the Council, or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation or community purposes.

The policy does not apply to organisations operated for private pecuniary profit, or which charge fees of any kind.

The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

Applications for remission must be made on the prescribed form (available from the Council offices).

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients.

Policy on remission of rates

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria.

No remission will be granted on targeted rates for water supply, sewage disposal or stormwater disposal.

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Remission of penalties

Objective

The objective of this part of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and criteria

Remission of one penalty will be considered in any one rating year where the ratepayer can provide evidence that that the payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member. Each application will be considered on its merits and remission

Remission of penalty may also be considered where a council action or inaction would make it unfair to charge the full penalty. Each application will be considered on its merits and remission

Delegated Responsibility

Council delegates to the Chief Executive authority to consider and approve applications for remission of penalties.

Remission of uniform charges on non-contiguous rating units owned by the same owner

Objective

To provide for relief from uniform charges for rural land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Conditions and criteria

Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is granted must be owned by the same ratepayer and must each be classified as "rural" for differential purposes.

Only one of the units may have any residential dwelling situated on the rating unit.

Ratepayers wishing to claim a remission should make an application on the required form (available from the Council offices).

Delegated Responsibility

Council delegates to the Chief Executive authority to consider and approve applications for remission of uniform charges on non-contiguous rating units owned by the same owner.

Policy on remission of rates

Remission of rates on properties protected for natural, historic or cultural conservation purposes

Objective

To preserve and promote natural resources and heritage to encourage the protection of properties for natural, historic or cultural purposes. This policy will support the provisions of the Wanganui District Plan.

Conditions and criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit;
- the degree to which features of natural, cultural or historic heritage are present on the land;
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land;
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case-by-case basis subject to a maximum amount of 33 per cent of rates owing per year.

In granting remissions under this part of the policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Policy for postponement of rates on Maori freehold land

Council's Policy for postponement of rates on Maori freehold land is the same as its Policy for postponement of rates.

Policy for postponement of rates

This policy is prepared under sections 102 and 110 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of the same Act. Postponement of rates is only available for financial hardship.

Definitions

Rates means a general rate, a targeted rate or a uniform annual general charge set in accordance with the Local Government (Rating) Act 2002 and includes a penalty added to a rate.

Postponement means a delay in the payment of rates.

Postponed Rates means rates for which the requirement to pay is delayed.

Financial hardship

Objective

The objective of this part of the policy is to assist personal ratepayers experiencing financial circumstances that affect their ability to pay rates.

Conditions and criteria

Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of the rating unit that is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council offices).

The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section, Conditions and criteria. The Council delegates to the Chief Executive authority to approve applications for rates postponement.

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

Where the Council decides to postpone rates, the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- the death of the ratepayer(s); or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- the ratepayer(s) ceases to use the property as his/her residence; or
- a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. The fee that will be charged is \$50 plus interest at the weighted average interest rate applied to Council debt in the Annual Plan adopted for each year that rates are postponed.

Even if rates are postponed, as a general rule the ratepayer will be required to pay 50% of the rate account.

Policy for postponement of rates

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made, depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Delegated Responsibility

No delegation from Council. Council will decide all applications.

Revenue and financing policy

Overview

The Council has undertaken a review of each individual activity with a view to determining an equitable funding policy. In doing so the Council considered the nature of the service and the benefits and beneficiaries for each service.

The list of activities and the funding mechanisms used are included in Table 1, along with some explanation of the terminology used. As part of the consideration process and to form a sound basis for establishing any differential rates, the Council considered how the rates funded activities should be apportioned to different rating groups. The Council uses three generic rating groups for consideration of allocation. Those groups are commercial, farming and residential. As the step between residential and farming is so large the Council has determined that the transition is based on the size of the property and there is an even transition from full residential rate to farming. For the purposes of Council consideration, the residential group includes any property less than three hectares and the farming group any property not a commercial property greater than three hectares.

The allocation of services to groups is achieved using the Rating Information Database as at 30 June each rating year. The list of activities and the allocation basis used for each are included in the table below, along with the resulting percentage allocations for the 2009/10 rating year based on the Rating Information Database as at 30 June 2008. The percentages will have small movements year to year as the rating information database changes.

Notes for table:

CV2* means that the activity has been split in proportion to the capital values of the groups, with commercial properties being attributed 200% of their capital value. This loading for commercial properties has been made to reflect what Council believes to be a more equitable split for the activity. The loading applies to environmental related services and reflects the commercial gain that is obtained through inspection and certification for commercial premises.

CVU** means that the activity is attributed to commercial and residential properties only according to the proportion of capital value for the groups. These activities have been allocated in this manner because there is little or no benefit attributable to farming properties.

Activity	Basis	Allocation to groups		
		Commercial	Farming	Residential
Airport	Unit	8.8%	9.0%	82.2%
Cemeteries	Unit	8.8%	9.0%	82.2%
Central Business District maintenance	Unit	8.8%	9.0%	82.2%
Central Business District parking	Unit	8.8%	9.0%	82.2%
Community buildings and rural halls	Unit	8.8%	9.0%	82.2%
Community development	Unit	8.8%	9.0%	82.2%
Cooks Gardens	Unit	8.8%	9.0%	82.2%
Economic development	Special	75.0%	5.0%	20.0%
Emergency management (Civil Defence)	Unit	8.8%	9.0%	82.2%
Emergency management (Rural Fire)	Special	10.0%	80.0%	10.0%
Environmental policy	CV2*	31.8%	17.3%	50.9%
Footpaths and berms	CVU**	23.8%	0.0%	76.2%
Governance	Unit	8.8%	9.0%	82.2%
Investments	Unit	8.8%	9.0%	82.2%
Library	Unit	8.8%	9.0%	82.2%
Parks and reserves	Unit	8.8%	9.0%	82.2%
Property	Unit	8.8%	9.0%	82.2%
Regional Museum	Unit	8.8%	9.0%	82.2%
Regulatory services	CV2*	31.8%	17.3%	50.9%
Roading	Special	36%	32%	32%
Royal Wanganui Opera House	Unit	8.8%	9.0%	82.2%
Sarjeant Gallery	Unit	8.8%	9.0%	82.2%
Swimming pools	Unit	8.8%	9.0%	82.2%
War Memorial Hall	Unit	8.8%	9.0%	82.2%
Waste minimisation	Special	20%	30%	50%
Waterways and natural drainage	CVU**	23.8%	0.0%	76.2%

Note:

- Pensioner housing and Sea Port have no rates input.
- Water supply, Stormwater and Wastewater are not differentiated into commercial, residential or farming groups. The rates for these activities are differentiated based on usage of the service to ensure equity and for efficient revenue collection. For further information, see the Rates Information section of this document.

Revenue and financing policy

Funding of expenses

The Council sets its long-term revenue to fund its ongoing operation and asset maintenance programme as outlined within this plan. The sources used depend on Council's analysis of individual activities and are outlined in the table below.

The table below outlines the funding mechanism used for individual activities. These mechanisms fall under three headings: General rates, targeted rates and fees and subsidy. In addition to these sources, the Council receives revenue from investments and parking. The details of the Investment activity are included separately within this plan. The net revenue from Investments is projected within this plan to be used for mainly debt repayment to reduce the rates requirement for the Community facilities targeted rate. Net parking revenue is used to reduce the rates requirement in the community services targeted rate.

Table 1: Activity funding sources

Activity	General rate	Targeted rate	Which Targeted Rate	Fees/Subsidy
Airport		Part	Community facilities rate	Majority
Cemeteries		Part	Community facilities rate	Majority
Central Business District maintenance		Full	Community facilities rate CBD rate	
Community buildings and rural halls		Majority	Community facilities rate	Part
Community development	Majority			Part
Cooks Gardens		Majority	Community facilities rate	Part
Economic development	Majority			Part
Emergency management	Majority	Part	Storm damage rate	Part
Environmental policy	Majority			Part
Footpaths and berms		Full	Roading and footpaths rate	
Governance	Full			
Investments		Full	Community	

			facilities rate	
Library		Majority	Community facilities rate	Part
Parks and reserves		Majority	Community facilities rate Storm damage rate	Part
Pensioner housing				Full
Property		Part	Community facilities rate	Majority
Regional Museum		Majority	Community facilities rate	Part
Regulatory services	Part			Majority
Roading		Part	Roading and footpaths rate Storm damage rate Rural separate works rates	Majority (Subsidy and petrol tax)
Royal Wanganui Opera House		Full	Community facilities rate	Part
Sarjeant Gallery		Full	Community facilities rate	Part
Sea Port				Full
Stormwater		Majority	Stormwater disposal rate Storm damage rate	Part
Swimming pools		Majority	Community facilities rate	Part
War Memorial Hall		Part	Community facilities rate	Majority
Waste minimisation	Majority			Part (Subsidy)
Wastewater		Majority	Wastewater rate Tradewaste fees Rural schemes	Part
Water supply		Majority	Water rate Metered consumption Rural schemes	
Waterways and natural drainage	Full			

Explanation of notations made in the table:

- Full** means that the full cost of the activity is funded from that particular funding source.

Revenue and financing policy

- **Subsidy** means that a portion of the activity is funded from a government subsidy. For Wastewater that subsidy makes a relatively minor contribution. For Roading the subsidy is a substantial portion of the cost of the activity. Those subsidies are identified within the individual activities within the plan.
- **Petrol tax** is a local government share of the petrol tax levied by central government. It is used to contribute to the costs of road provision and maintenance.
- **Majority** means the majority of the activity is funded from this source.
- **Part** means less than the majority of this activity is funded from that funding source.
- **Storm** means part of the activity is funding by storm damage rate. The storm rate is only applied in years following a storm.
- **Rural** means part of the activity is funded by a rate targeted to a defined community. The Rate only funds cost of a scheme that benefits that defined community.

Basis for selection of mechanisms to fund operating expenses

Fees may be used for activities where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay. The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the Council believes that a charge set too high will reduce use and therefore, diminish the value of the facility to the community, and impose a greater cost on the ratepayers. In selecting market rate the Council has made a judgement that the community values the existence of the facility and would rather it be funded from rates than for it to close.

General rates are used to fund those services where Council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users.

Targeted rates are also used to fund community benefits and wider public goods. The Community facilities rate is a targeted rate as Council believes being uniform and applying to each separately used and inhabited part of rating unit is a more equitable reflection of the benefits. It also enhances the transparency of the services and the specific allocation to properties.

Targeted rates for water reflect the different levels of service and areas of benefit for individual schemes, and also attempt to provide equity between large volume users and smaller volume users. A uniform charge is used for many of the schemes due to the efficiency of the charge and the high cost and marginal benefit of universal metering.

Targeted rates for wastewater disposal attempt to reflect the different levels of use and benefit while maintaining an efficient charging mechanism.

Grant and subsidies are used where they are available.

Borrowing is not used as a mechanism to fund long-term service provision but it is used as a tool to smooth out major lumps in the capital acquisitions and replacements programme.

Income from dividends and interest and net rental income is used to offset the cost of provision of other services. While the net income is applied to community facilities, the Council reserves the right to apply any surpluses to any other council activity. Costs within that group of services will first be applied to the rating mechanism and then the income from investments will be applied.

Funding of capital expenditure

Rates in all forms will be used to fund an ongoing replacement programme and may be used to fund a portion of capital acquisitions work. This will be balanced against the affordability for the current ratepayer and the extent to which a capital replacements or acquisitions programme is even over the period of the plan.

Borrowing will be applied to capital works subject to the preceding statement on the use of rates. The Council views debt as a smoothing mechanism and a means of achieving equity between time periods. However, the Council does not have unlimited capacity to borrow and the

Revenue and financing policy

community does not have unlimited capacity to service those loans into the future. Therefore, the Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest rate risk does not place an impossible burden on the community. In doing so the Council is conscious of its peak debt and its ongoing funding stream for debt servicing and work programme.

Proceeds from asset sales may be used to fund capital works or to repay debt. The preferred option will be for debt repayment with any new works funded from a new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating for the individual groups.

Development contributions: Through the application of its Development Contributions Policy, the Council seeks to obtain contributions to fund infrastructure required due to district growth. The proceeds from development contributions will be applied to capital works within the roading, water and wastewater activities.

Financial management

The Council must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The Council must make adequate and effective provision in its 10 Year Plan and in its Annual Plan (where applicable) to meet the expenditure needs of the local authority identified in that 10 Year Plan and Annual Plan.

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

1. In relation to each activity to be funded:

- a. The community outcomes to which the activity primarily contributes.
- b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- c. The period in or over which those benefits are expected to occur.

- d. The extent to which actions/inactions of individuals or groups contribute to the need to undertake an activity.
 - e. The cost and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
2. The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

See page 180 of this volume for a detailed analysis of this requirement.

Policy on determining significance

Introduction

This policy on determining significance outlines the statutory requirements and Council's general approach to determining the significance of proposals and decisions, and includes criteria and procedures the Council will use in assessing which issues, proposals, decisions and other matters are significant.

It also lists assets the Council considers to be strategic assets.

Statutory requirements

The Council is required to have a policy on significance under section 90 of the Local Government Act 2002.

Section 5 of the Act defines 'significant' and 'significance' as follows:

Significance, in relation to any issue, proposal, decision or other matter that concerns or is before a local authority, means the degree of importance of the issue proposal, decision or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- (a) the current and future social, economic, environmental and cultural well-being of the district.
- (b) Any persons who are likely to be particularly affected by or interested in the issue, proposal, decision or matter.
- (c) The capacity of the local authority to perform its role, and the financial and non-financial costs of doing so.

Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

In other words, **significance** means the degree of importance of a proposal or decision, which can range from insignificant to very significant. At some point on the continuum there will be proposals or decisions with a

low degree of significance and those with a high degree of significance. A **significant** proposal or decision is one with a high degree of significance.

Rationale for the policy

The significance of a decision will help determine the appropriate nature, extent and degree of compliance required with the decision-making process set out in Part 6 of the Act.

Section 79 of the Act (compliance with procedures in relation to decisions) provides that it is the responsibility of the Council to make judgments about how to achieve compliance with sections 77 (requirements in relation to decisions) and 78 (community views in relation to decisions) that are largely in proportion to the significance of the matters affected by the decision. In making such judgments the Council must have regard to the significance of all relevant matters and the principles relating to local authorities, the Council's resources and the extent to which the nature of the decision and the circumstances allow consideration of a range of options or the views of other people.

In essence, the more significant the issue the higher the standard of compliance required.

Council decision-making processes must also promote compliance with the requirements of sections 80 (Identification of inconsistent decisions), 81 (Contributions to decision-making processes by Maori) and 82 (Consultation processes). For significant decisions, the Council must ensure appropriate compliance.

Inconsistent decisions

If a decision is significantly inconsistent with, or will have consequences significantly inconsistent with a plan or policy of the Council, the Council must, when making the decision, identify the inconsistency, give reasons for it and any intention of the Council to amend the policy or plan to accommodate the inconsistency (section 80).

Policy on determining significance

Maori contributions to decision-making

The Council must provide opportunities for Maori to contribute to decision-making processes, consider ways to foster development of Maori capacity to contribute and provide relevant information (section 81).

Consultation and public information

The significance of a matter will guide the Council's decisions concerning the extent and nature of the consultation to be undertaken with the persons likely to be affected or interested in the decision or matter, and in determining the extent and detail of information to be provided by the Council when consulting with or reporting to the community.

The Council must comply with the principles of consultation set out in section 82 (Consultation processes) in such a manner that the Council considers, at its discretion, to be appropriate. In determining what is appropriate the Council must have regard to various matters including the nature and significance of the decision or matter to the wider community and those who may be more directly affected by the decision.

The principles of consultation (section 82) include the principle that persons interested in decisions should be provided with reasonable access to relevant information, and should be given clear information concerning the purpose of the consultation. In addition, persons who present views to the Council should be provided with information concerning both the relevant decision and the reasons for those decisions. In determining how to comply with these, and the other principles of consultation, the Council will take into account the nature and significance of the decision.

Inclusion in the 10-Year Plan and use of the special consultative procedure

Significance may also determine whether a decision on a matter must be explicitly included in the 10-Year Plan, and in a statement of proposal which has been considered under a special consultative procedure, before the decision can be made (section 97 Certain decisions to be taken only if provided for in 10-Year Plan).

This policy identifies the assets the Council considers to be strategic assets. Any decision to transfer ownership or control of a strategic asset, or a decision to construct, replace or abandon a strategic asset cannot be made unless it has first been included in the 10-Year Plan, and in a statement of proposal relating to the 10-Year Plan. All such actions relating to a strategic asset are automatically significant and must meet the requirements relating to significant decisions. Significant decisions also include:

- Significantly altering the intended level of service for any significant activity (section 97)
- Significantly affecting the capacity of, or cost to, the local authority (section 97)
- Altering the mode by which a significant activity is undertaken (section 88)

General Approach

The Council will consider each proposal or decision on a case-by-case basis to determine whether the proposal or decision is significant. In determining this issue, the Council will apply the criteria and procedures set out in this policy and will also consider each of the following:

- The likely impact/consequences of the decision or proposal on the current and future social, economic, environmental and cultural wellbeing of the community.
- The parties who are likely to be particularly affected by or interested in the decision or proposal.
- The likely impact/consequences of the decision or proposal from the perspective of those parties.
- The financial and non-financial costs and implications of the decision or proposal having regard to the Council's capacity to perform its role.

The more significant or material the impact or consequences of the decision or proposal, the higher the standard of compliance required with Part 6 of the Local Government Act 2002, and the more likely the matter will be 'significant'.

Policy on determining significance

It is helpful to bear in mind that the references to 'significance' in the Act are intended to ensure that appropriate attention and consideration is given to matters based on their relative importance to the district or region.

The Council will not make a decision or proceed with a proposal which it considers to be significant, unless it is first satisfied that sections 77 (Requirements in relation to decisions), 78 (Community views in relation to decisions), 80 (identification of inconsistent decisions), 81 (Contributions to decision-making by Maori) and 82 (Consultation processes) of the Act have been appropriately observed. The procedures below are designed to ensure observance of this policy.

Prior to delegating a decision on any specific matter to officers or committees, the Council as a whole will consider the significance of the matter being delegated.

Thresholds

Council has not set any thresholds for significance. Whether a matter is significant does not depend on any one factor. It is possible for a transaction of \$10,000 to be significant while a transaction of \$1M may not be significant. The factors that will affect significance are listed below. Decisions on significance will be made on a case-by-case basis.

Criteria

In considering whether any decision has a high degree of significance the Council will consider whether:

1. The impact or consequences of the decision or proposal on the affected persons (being a number of persons) will be substantial.
2. The decision or proposal affects all or a large portion of the community in a way that is not inconsequential.
3. The decision or proposal is inconsistent or largely inconsistent with existing documented policies and plans.
4. The impact or consequences of the decision will damage relationships with Maori.
5. The impact or consequences of the decision will have a more than minor adverse effect the quality of the environment.

6. The community has deeply divided views on the matter and the decision will generate a high degree of controversy.
7. There is a greater public good determined that would be compromised by the consultation process.

Procedures

Every report to Council must include a statement indicating that the issue of significance has been considered, with a recommendation to Council assessing the significance of the proposal or decision. If the decision changes from that recommended, the Council must reconsider the significance of the amended decision. The statement should state "In terms of the Policy on determining significance, the recommended decision is significant/not significant". Note, the word "recommended" will be removed when the decision becomes a Council resolution.

If the proposal or decision is determined to be significant in terms of the criteria stated in this policy, the report will also include a statement addressing the appropriate observance of such sections 77 (Requirements in relation to decisions), 78 (Community views in relation to decisions), 80 (identification of inconsistent decisions), 81 (Contributions to decision-making by Maori) and 82 (Consultation processes) as are applicable.

Note: Before considering the application of the criteria it should be checked that the issue has not already been included in the 10-Year Plan or the significant decision has already been subject to a Council resolution or covered by an existing Council policy or plan.

Strategic assets

Section 5 of the Act defines "strategic asset" as follows:

Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community, and includes –

- a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and

Policy on determining significance

- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in
 - i. a port company within the meaning of the Port Companies Act 1988:
 - ii. an airport company within the meaning of the Airport Authorities Act 1966.

For the purpose of section 90(2) of the Act, the Council considers the following assets to be strategic assets:

Activity/Group of Activities	Asset
Community facilities	<p>All cemeteries</p> <p>Portfolio of reserves and land used for parks, gardens, sports fields and recreational areas as a whole</p> <p>Network of street trees but no individual tree</p> <p>Portfolio of community recreational and leisure facilities as a whole</p>
Cultural facilities	<p>Information archives</p> <p>Sarjeant Gallery collections as a whole</p> <p>The library collections as a whole</p>
Pensioner housing	The portfolio of pensioner housing but not specific units or complexes
Wanganui Airport	The airport encompassing an asphalt runway and terminal building

Investments	<p>The Council's shareholding in Wanganui Gas Limited</p> <p>The entire forestry asset but not forestry stands, sections of land, plantations or cutting rights</p>
Roading	Roading network as a whole but not any specific part of the network
Sewerage and stormwater services	Sewerage and stormwater networks as a whole but not any specific part of the network
Water supply	Water supply and reticulation system as a whole but not any specific part of the network

'Significant' and 'significance' in other contexts

The Local Government Act 2002 uses the term significant and significance in a number of contexts. Unless it is inappropriate in the context, the criteria set out in this policy and in the statutory definitions will apply.

Investment policy

This policy is prepared under sections 102 and 105 of the Local Government Act 2002.

1.1 Application

This policy applies to any investment made by council with an expected financial return. While an investment may have other objectives that are being met, the distinction between it and other spending is that it will be expected to generate a future flow of funds at a market rate of return.

The policy does not apply to any money “invested” in social or environmental infrastructure. Land and buildings used by council for delivery of council functions are also not intended to be covered within this policy.

Council will regularly evaluate the appropriateness of its individual and its portfolio of investments. The evaluation will include an analysis of risks and return and how these investments may impact the social, economic, cultural and environmental wellbeings of the district.

An evaluation may result in council divesting all or part of an investment or increasing an investment via equity or debt. Council will undertake public consultation on acquisition or divestment decisions where the council believes that consultation would not affect the value of the investment.

1.2 General objectives

- Council invests to obtain a revenue return to reduce the reliance on and impact of rates.
- Council invests in activities that it believes have a positive impact on the social, economic, cultural and environmental wellbeings of the community.
- Where possible council prefers to invest within the Wanganui district to support its community.
- Council is generally risk averse and preservation of capital will usually have preference over high rates of return.
- Council invests to optimise use of cash not immediately required.
- Council invests to meet the obligations imposed by legislation or trusts and bequests.

Specific objectives for each investment in the mix of investments are outlined below.

1.3 Mix of investments

1.3.1 Equity investments

- Shares in Wanganui District Holdings Limited (100% owned).
- Shares in Wanganui Gas Ltd (100% owned by Holding Company).
- Shares in Local Government Insurance Company (138,830 shares).

1.3.2 Property investments in three portfolios

- Council Endowment.
- Harbour Endowment.
- Council Freehold.

1.3.3 Forestry investment

- Share of Forestry Joint Committee.

1.3.4 Treasury investments

- Short term deposits.
- Long term deposits.

1.3.5 Loan advances

- For property freeholding of leasehold land.
- For some community groups and activities.
- For further capital investment (debt or equity) in subsidiary organisations.

1.3.6 Other investments

- Council may invest in other investments that meet its general objectives.

Investment policy

1.4 Acquisition of new investments

New investments may be acquired if an opportunity arises or if investment supports council's outcomes and is considered the best means of achieving the outcome.

Property investments are acquired to provide a better investment mix to any individual portfolio, so adjusting the portfolio will mean sales and purchases of individual properties.

1.5 Individual investments

1.5.1 Wanganui District Council Holdings Limited

1.5.1.1 Objectives of ownership

Wanganui District Council Holdings Limited (the Holding Company) was formed to oversee individual investments and to advise council on:

- The mix of investments in the portfolio.
- The risk of investments in the portfolio.
- The management of individual investments in the portfolio.
- The overall strategy for investments in the portfolio.
- To identify opportunities to enhance investments and returns.
- To identify potential new investments that meet council investment objectives.
- To identify opportunities to sell investments that no longer meet council investment objectives.
- To identify appropriate structures that may better enhance focus and management of particular investments.
- It is the sole responsibility of council, by resolution, to purchase or sell assets owned by the Holdings Company.

The Holding Company has equity of \$10.9M. This includes the value of the 100% interest in Wanganui Gas Limited which is owned by the Holding Company.

1.5.1.2 Monitoring

The Holding Company is required to submit a statement of intent to council annually. That statement of intent outlines what the company will be doing in the next three years to meet its objectives.

A six-monthly report is required to report on progress against the objectives in the statement of intent.

An annual report is required to also report on objectives in the statement of intent.

The Holding Company has an Annual General Meeting and also meets with council to discuss issues and progress against objectives.

1.5.1.3 Risks

Risks are assessed as part of the annual process of developing and adopting a statement of intent. Business plans will be prepared and contain a section on risks relating to major sectors of business and the expected risk profile over the next three years. Major risks will be monitored by the company and will be discussed with council when the company meets with council.

1.5.2 Wanganui Gas Limited

1.5.2.1 Objectives of ownership

- Protect provision of an infrastructure investment.
- Dividend maximisation.
- Provide local employment by retaining its office in Wanganui.
- Enhancement of value and moderate growth in investment.

1.5.2.2 Monitoring

Wanganui Gas Limited is required to submit a statement of intent to the Holding Company annually. That statement of intent outlines what the company will be doing in the next three years to meet its objectives.

A six-monthly report is required to report on progress against the objectives in the statement of intent.

Investment policy

An annual report is required to also report on objectives in the statement of intent.

Wanganui Gas Limited has an Annual General Meeting and also meets with the Holding Company to discuss issues and progress against objectives.

1.5.2.3 Risks

Risks are assessed as part of the annual process of developing and adopting a statement of intent. Business plans will be prepared and contain a section on risks relating to major sectors of business and the expected risk profile over the next three years. Major risks will be monitored by the company and will be discussed with the Holding Company when they meet.

1.5.3 Forestry

1.5.3.1 Objectives of ownership

- To provide a financial return to assist to reduce the burden on rates.

1.5.3.2 Monitoring

Wanganui District Council Holdings prepares an annual plan and statement of intent that is presented to the Forestry Joint Committee. The Forestry Joint Committee then reports to the individual councils involved in the venture:

- Ruapehu District Council (3.93%)
- South Taranaki District Council (0.98%)
- Wanganui District Council (95.09%)

The statement of intent outlines what the entity will be doing in the next three years to meet its objectives.

The degree of formal reporting is based on the level of operational and sales activity in the forests.

1.5.3.3 Risks

Risks are assessed as part of the annual process of developing and adopting a statement of intent. Business plans will be prepared and contain a section on risks relating to major sectors of business and the expected risk profile over the next three years. Major risks will be monitored by Wanganui District Council Holdings and will be discussed with the Forestry Joint Committee.

1.5.4 Property investments

Property investments are divided into three portfolios. The use of the proceeds from each portfolio differs, as do the objectives for investment.

The full value of the City Endowment fund is invested in property but not all properties in the portfolio are regarded as investment properties as some are used for operational purposes or are owned for strategic reasons. Investment proceeds are used for the general purposes of council. There is a requirement that the proceeds of sale be reinvested in property. Capital funds may be invested short term in cash deposits awaiting property investment and interest on those deposits may be used for general purposes.

The Harbour Endowment requires that funds must be invested in property. However, proceeds from investment must be used for harbour purposes. Not all properties within the Harbour Endowment are regarded as investment properties as some are used for operational purposes or are owned for strategic reasons. Proceeds from property sales for the Harbour Endowment are not used for harbour maintenance but remain in the capital fund for the purchase of property or port works.

The City Freehold property portfolio is made up from either council properties managed on investment criteria or surplus operational properties which are to be sold.

1.5.4.1 Harbour Endowment

Objectives of ownership:

- To provide revenue for harbour operations
- To ensure infrastructure for harbour development
- To maintain the value of the portfolio

Investment policy

- To maintain investment in land and property
- To enhance opportunities for economic development
- To act as a prudent investor

Within the limits of the Harbour Endowment income.

1.5.4.2 City Endowment

Objectives of ownership:

- To provide revenue for general operations.
- To enhance the value of the portfolio.
- To maintain an investment in land and property.
- To enhance opportunities for economic development.
- To act as a prudent investor.

1.5.4.3 Council Freehold

Objectives of ownership:

- To provide revenue for general operations.
- To enhance the value of the portfolio.
- To enhance opportunities for economic development.
- To act as a prudent investor.

1.5.4.4 Monitoring

The council includes property investments within its annual planning cycle. The Holding Company also plays a role in monitoring the performance of the property investments. A property investments business plan has been developed and council will monitor progress against that.

Quarterly reports are prepared and presented to council to evaluate performance against the plans.

The council reviews the performance of its property investments on a regular basis. Targets for returns are included in the 10-Year Plan or Annual Plan.

Divestment of property investments requires council approval. Proceeds from the sale of endowment property investments are allocated to the appropriate capital account and used for acquisition of another investment property. Proceeds from other property sales are allocated to general funds and used to repay debt or to fund capital improvements.

1.5.4.5 Risks

Risks are assessed as part of the annual process of developing and adopting an Annual Plan or 10-Year Plan. Business plans will be prepared for each portfolio and contain a section on risks relating to major sectors of business and the expected risk profile over the next three years. The Finance and Infrastructure Committee and the Holding Company will monitor major risks.

1.5.5 Treasury investments

1.5.5.1 Objectives of ownership

Treasury investments are those investments that are made in cash deposits or term investments. Council maintains treasury investments to:

- Invest amounts allocated to special funds and sinking funds.
- Invest funds allocated for approved future expenditure to implement strategic initiatives or to support intergenerational allocations.
- Invest excess proceeds from the sale of assets.
- Invest surplus cash and working capital funds.

Treasury investments yield interest which is applied to the purpose for which the funds are held.

1.5.5.2 Risks

The above objectives are captured in the investment framework in 1.5.5.3 Investment Limits, which provides operating parameters for investment activity including approved counterparties, instruments and limits. The following principles form the key assumptions of the operating parameters contained in the investment framework:

Investment policy

- Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer, and by limiting investments to local authorities, registered banks, strongly rated State Owned Enterprises and corporates within prescribed limits.
- Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market.

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its investments.

Management implements interest rate risk management strategy by reviewing rolling cash flow forecasts and adjusting the maturity of its investments as appropriate.

1.5.5.3 Investment Limits

Approved issuers, instruments and limits

Issuers	Instruments	Short term limits (percentage of total investment portfolio)	Long term limits (percentage of total investment portfolio)
Risk-free Government guaranteed	Treasury bills Government stock	100%	100%
Near risk-free Local authorities and other institutions with the ability to levy rates or taxes	Local authority stock Local authority debentures	Up to 100% subject to not more than \$5M with one issuer	Up to 100% subject to not more than \$5M with one issuer

Low risk Major banks registered with the Reserve Bank with a short term credit rating of at least A-1 or better and long term credit rating of at least A+ as determined by Standard and Poors	Money market call deposits Money market term deposits Transferable certificates of deposits Negotiable certificates of deposits Bank bills	Up to 100% of total portfolio but no more than \$5.0M with one registered bank with exception of the council's banker which may have up to \$10M at any time	Up to 80% of total portfolio but no more than \$3.0M with one registered bank with exception of the council's banker which may have up to \$6M at any time
Other issuers as long as they have a short term credit rating of at least A-1 or better and long-term credit rating of at least A+ as determined by Standard and Poors	Promissory notes Corporate bonds	Up to 40% of total portfolio but no more than \$2M with any single issuer	Up to 40% of total portfolio but no more than \$2M with any single issuer

Short term investments are any investments where the maturity date is equal to or less than two years.

Long term investments are where there is no maturity date or where the maturity date is greater than one year.

1.5.6 Loan advances

Loan advances may be made from time to time to assist council to achieve its investment objectives.

Investment policy

Council will make advances and other investments after considering the impact of the social, economic, cultural and environmental wellbeings of the district and the security and return of the advance. Council may offer advances at concessionary interest rates. According to Section 63 of the Local Government Act 2002, concessionary interest rates are unable to be provided to Council Controlled Trading Organisations.

1.5.7 Sinking funds

Under the Local Government Act 2002, the council is not required to use specific borrowing mechanisms and therefore council uses its discretion in determining whether a sinking fund mechanism is appropriate. The council operates sinking funds and nominated commissioners to administer the outstanding loans.

Sinking funds are currently managed as part of the council's overall investment portfolio but will cease on maturity of the remaining loans to which sinking funds are attached.

A Statement of Sinking Funds is prepared yearly by the sinking fund commissioners and reported to council.

Liability management policy

This policy is prepared under sections 102 and 104 of the Local Government Act 2002.

1.1 General policy

Council exercises its borrowing powers in accordance with the Local Government Act 2002. Borrowing is included in a 10-Year Plan or an Annual Plan and is approved by resolution. A resolution is not required for hire purchase, leased, credit or deferred purchases of goods if the goods or services are obtained in the ordinary course of operations. Projected debt levels are ascertained from forecasts in the 10-Year Plan or the Annual Plan.

Council borrows, as it considers appropriate, for the following primary purposes:

- For “special one-off” projects and capital expenditure.
- To fund assets with intergenerational qualities.
- To fund Council’s balance sheet
- Fund emergencies in the short term.

Council is able to borrow through a variety of market mechanisms including the issue of stock and registered secured debentures, direct bank borrowing or through accessing the capital markets directly. Council may also use internal funds as a borrowing mechanism.

In evaluating new borrowings (in relation to source, term, size and pricing) the Chief Financial Officer will take into account the following:

- The size and the economic life of the project.
- The impact of the new debt on the borrowing limits.
- Relevant margins under each borrowing source.
- Council’s overall debt maturity profile, to ensure concentration of debt and debt re-pricing is avoided at reissue/rollover time.
- Prevailing interest rates relative to term for both stock issuance and bank borrowing and management’s view of future interest rate movements.
- Available term from bank and various credit facilities.
- Ensuring that the implied finance terms of any specific debt is at least as favourable as Council could achieve in its own right.

- Legal documentation and financial covenants.

1.2 Borrowing limits

In managing borrowing, Council will adhere to the following limits:

- Total debt not to exceed two times total revenue less Government subsidy.
- The gross interest expense^[1] of all borrowings will not exceed 15% of total revenues less Government subsidy.
- Net cash flows from operating activities^[2] to exceed net interest expense by two times.

1.3 Management of other liabilities

Council will from time to time enter into transactions and agreements that can expose Council to financial liability. These may include:

- Creditors

Council wishes to maintain its credit standing and therefore pays all creditors by the due date in line with the terms agreed with the supplier.

- Personnel liabilities

Council management reviews the level of staff liability balances and encourages the timely use of entitlements.

- Deposits and bonds

These are primarily held for contract retentions until work is deemed to be complete.

- Contingent liabilities

Council provides financial guarantees to community and service organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council takes immediate action to recover the money.

^[1] gross interest expense excludes “self funded activities” e.g. debt for pensioner housing.

^[2] net cash flow from operations includes net cash flows from operations plus interest expense.

Liability management policy

1.4 Liquidity and credit risk management

Council's ability to readily attract cost effective borrowing is largely driven by its ability to:

- Maintain a strong balance sheet.
- Service loans.
- Manage its image in the market and its relationships with bankers.

Council seeks a diversified pool of borrowing and ensures that bank borrowings are only sought from the approved list of registered banks.

To ensure funds are available on repayment of debt, treasury investments are maintained in liquid assets and ready funds are available through various cash advance and note purchase facilities. Council also maintains at least two bank credit lines to ensure funds are available when and if required.

Council ensures debt maturity is spread widely over a band of maturities to minimise the risk that large concentrations of debt may mature or be reissued when credit margins (interest rates) are high. Council manages this specifically by adopting maximum maturity amounts together with discretionary authorities to alter these levels. These maximum amounts include both existing and forecast debt and enable Council to reduce its exposure to liquidity risk. Council expects existing and forecast debt to increase to \$90M over the next 10 years.

	0 - 1 yr	1 - 2 yrs	2 - 3 yrs	3 - 4 yrs	5 yrs plus
Maximum re-issue ⁽¹⁾	20%	20%	20%	20%	20%
Discretion ⁽²⁾	20%	15%	15%	15%	20%
Total	40%	35%	35%	35%	40%

Percentages are based on the expected Council debt at 30 June each year.

⁽¹⁾ The reissue of debt combines maturing debt which is going to be refinanced together with any forecast new debt requirements.

⁽²⁾ Chief Financial Officer and Chief Executive are able to increase the maximum amount subject to refinancing in order to take advantage of borrowing opportunities and the requirements for large capital projects.

1.5 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. There is a tendency to have a high percentage of long-term fixed rate borrowing. Council believes this is a prudent approach given the long term nature of Council's assets, projects and intergenerational factors. Also as the major revenue stream is rates, which is set on an annual basis, Council prefers to have reasonable certainty on the level of interest expense.

The Finance and Administration Committee approves interest rate risk management strategy based on advice from the finance personnel who monitor the interest rate markets on a regular basis and, after taking appropriate advice, evaluate the outlook for short-term rates in comparison to the rates payable on its fixed rate borrowing.

The following table provides guidelines for achieving a floating rate mix, together with the appropriate discretionary authority. The table highlights the maximum floating rate exposure reducing over time, reflecting Council's preference for a reasonable level of certainty over debt servicing costs. In general, short-term debt has a lower cost than longer-term debt but is subject to more uncertainty. Council will maintain a level of floating rate and short-term debt to ensure that the weighted average cost of debt is reasonable but the level will be affected based on advice on expected movements in short-term interest rates.

Liability management policy

Term of exposure ^[3]	Maximum floating rate exposure (Minimum fixed rate exposure)	
	Chief Financial Officer	Finance and Administration Committee
0 - 1 year	25% (75%)	45% (55%)
1 - 3 years	30% (70%)	50% (50%)
3 - 5 years	50% (50%)	70% (30%)
5 years +	80% (20%)	100% (0%)

Council is also exposed to interest rate repricing risk on the maturing of existing fixed rate borrowing that is refinanced, as well as issue yield risk on forecast new debt. Council manages these exposures using the following operational parameter:

- Maintaining floating and fixed rate borrowings within the parameters of this policy.
- Maintaining debt maturities within the parameters of this policy.

Management may use hedging instruments for managing interest rate risk on its borrowings. Should hedging instruments be used, then approval from two elected members of the Finance and Administration committee shall be obtained. This should be from the chairman and deputy chairman if available. This approval will then be ratified at the next Finance and Administration committee meeting. Hedging use includes:

- Approval of hedging up to 100% of the re-pricing risk on existing fixed rate debt and issue yield risk on forecast new debt.
- Adjusting the average maturity of its borrowings, thereby managing interest rate risk within the confines of liquidity management.
- Using interest rate risk management products (refer note below) to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing, and to manage maturity mismatches between its borrowings and investments.

^[3] Term of floating rate exposure is determined by the remaining term to maturity of interest rate risk management instruments and the remaining term of any physical floating rate facility.

- Using interest rate risk management instruments to hedge re-pricing risk on existing fixed rate debt and issue yield on planned borrowing.

The following interest rate risk management instruments may be used for interest rate risk management activity:

- Forward rate agreements.
- Interest rate swaps.
- Purchase of interest rate options products including caps, bond options and swaptions.
- Interest rate collar type option strategies.

Buying and selling risk management instruments for the primary purpose of generating premium income is not permitted because of its speculative nature.

1.6 Security

Council offers a charge over rates as security for general borrowing programmes. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of Council's assets. Council offers security under a Debenture Trust Deed. Council does not have a recognised credit rating.

1.7 Repayment

Council has two mechanisms for repaying debt. Historically, a sinking fund was established for the repayment of each individual loan. This was a legal requirement that was removed in 1996. Council still has a loan for which sinking funds were set aside. No further contributions are made to sinking funds as the balances held are sufficient to repay the individual loans when they mature.

Funds are provided from general funds for repayment of most loans. Each Council activity is rated for loan repayments depending on the life of the individual assets and the ability of that activity to repay the loan.

Liability management policy

1.8 Internal borrowing

Council uses funds allocated to reserves in the manner which provides Council with the greatest benefit. Where possible, these funds are used to reduce external debt, effectively reducing the Council's net interest cost.

Where Council has a borrowing requirement for specific projects or activities, internal cash resources may be utilised first before any funds are borrowed externally. When Council's cash flows indicate that additional cash resources are required on an ongoing basis, officers will seek external borrowings in accordance with this policy.

Where internal funds are utilised to reduce borrowing, a record will be kept of the source of the funds and an interest rate will be credited to the internal source at the market rate applicable to borrowings over the period of the loan. The cost of the internal borrowing will be charged as an expense to the activity to which the funds have been applied. This is advantageous to Council as there is a difference between the margins that apply to borrowings as opposed to investments and also the costs of transactions are lower.

Development contributions policy

Introduction

The 10-Year Plan contains details of the Communities Outcomes, Council's contribution to those outcomes, financial policies and forecast expenditure for a 10 year period. The first plan was adopted in 2004 and is reviewed at three yearly intervals. The Development contributions policy is one of the financial policies required to provide predictability and certainty about sources and levels of funding for the Council.

The Local Government Act 2002 (LGA) allows the Council to require development contributions from developers to the extent that Council incurs capital expenditure for the provision of new or upgraded reserves, network infrastructure, or community infrastructure related to development.

Purpose

Council's objective in seeking development contributions under the LGA and also financial contributions under the Resource Management Act 1991 (RMA) is to:

- Obtain a fair and reasonable contribution towards the provision of the district's community infrastructure, from those responsible for and who benefit from development that places additional demand on those services; and
- That a sustainable approach is taken to development in the Wanganui district.

Commencement

This is the second review of the policy. The first policy was reviewed and an amendment to the 10-Year Plan 2006-2016 adopted on 27 November 2006. This policy and any subsequent amendments apply from the date of adoption by Council and remain in force until revoked by Council.

Review of the policy

The Development contributions policy will be reviewed at least three-yearly, or earlier as necessary to take account of a number of difficult to control factors. Any review of this policy will be as an amendment to the 10-Year Plan 2009-2019 and use the special consultative procedure set out in the LGA. A review is likely to take account of:

- Changes in the capital works program related to growth
- Changes to the District Plan, including private plan changes
- Implementation of growth strategies
- Changes to demographic forecasts
- Changes to development patterns and distribution within the district
- Changes to the significant assumptions in the Development Contributions Policy
- Any other matters Council considers relevant

Definitions and interpretation

Allotment has the meaning given in accordance with section 218(2) of the RMA.

Backlog means that portion of a planned (or completed) capital project that is required to meet the shortfall in capacity for existing community demand at agreed levels of service.

Community facilities mean reserves, network infrastructure or community infrastructure for which a development contribution may be required.

Community infrastructure means land, or development assets on land, owned or controlled by Wanganui District Council to provide public amenities and includes land that Wanganui District Council will acquire for that purpose.

Development means any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

Development contribution means a contribution provided for in a Development Contributions Policy included in the 10-Year Plan of Wanganui District Council and calculated in accordance with the methodology set out in schedule 13 of the LGA comprising money, or land (excluding Maori land under TeTure Whenua Maori Act 1993 unless that Act provides) or both.

Development contributions policy

Financial contribution means a contribution of money, land or a combination of both in accordance with S108(9) of the RMA and Council's policy is set out in the District Plan. Financial contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.

Gross Floor Area (GFA) means the building platform excluding decks.

Household Unit Equivalent (HUE) means a type of 'unit of demand' that relates to the typical demand for infrastructure by an average household.

LGA means Local Government Act 2002.

10-Year Plan means Wanganui District Council's Long-term Council Community Plan (LTCCP) including amendments.

Network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Non-residential development means any activity in a non-residentially zoned area, excluding the rural zone. e.g. commercial and manufacturing.

Remissions means an adjustment to the scheduled charged for a particular activity and catchment as a percentage or in dollar terms.

Renewal or replacement means that portion of project expenditure for the replacement of assets for the same level of service.

Service connection means a physical connection to a service provided by, or on behalf of Wanganui District Council.

Subdivision is deemed to have the same meaning as 'subdivision' under the RMA.

VPD means vehicles per day.

Funding the cost of growth

The Wanganui district has been experiencing growth pressures in the district, primarily because of a 'laissez faire' approach to development, particularly in the western side of Wanganui city. This growth is placing significant pressure on network infrastructure and the ability of the Council to fund this development.

The methods of funding the operating and capital expenditure of Council's activities are set out in the Council's Revenue and financing policy. The policy identifies development contributions as funding capital expenditure incurred as a result of growth. This expenditure relates to the water, roading and wastewater activities.

Mechanisms to fund growth

Rates

General rates are used to fund a public benefit. This funding would distribute the costs of growth among all ratepayers. The impact of the cost falls predominately on current ratepayers to the benefit of future ratepayers. There is no ability to charge individual users (developers) who benefit.

Council has restrictions on using rates charged on a uniform basis in any one year. Although this limit does not apply to water or wastewater (sewage disposal) it may constrain Council's ability in relation to reserves and community infrastructure.

With targeted rates, while more specific to an activity than general rates, the costs are borne by all ratepayers receiving that service and not the developers who benefit.

Borrowing

Borrowing to service the debt associated with infrastructure required to accommodate growth, would mean that future ratepayers pay the cost. While this appropriately changes the ratepayers that will get some benefit from infrastructure development, it does not charge the developer, who is the party that benefits most from the infrastructure development. Overall

Development contributions policy

Council must manage its financial dealings prudently that promotes the current and future interests of the community.

Third party funding

Project costs are funded from third party sources where Council is entitled to that funding. The rationale is to maximise the opportunity available to the district in providing Council services that are affordable to the community. Council is limited in the extent of third party funding for projects by meeting the criteria for that funding and, to the extent that Council itself must contribute, the ability of the community (as a whole) to pay Council's contribution for the project. This funding while contributing to the ability of the district to pay for services does not assess the individual's ability to pay.

Proceeds from asset sales

While this source may be used to fund capital works the preferred option is to use proceeds from asset sales to repay debt. A reduction in asset base and liability will maintain financial levels. This source of funding does not align to the benefits of growth.

Contributions

In assessing the fair and reasonable contribution for development contributions Council has considered in accordance with Section 101(3) of the LGA:

- The Community Outcomes to which the activity contributes
- The distribution of benefits throughout the community, any identifiable part of the community and any individuals
- When the benefits will occur
- The extent to which the actions (or inaction) of any group or individual contribute to the need to undertake the activity
- The costs and benefits of funding the particular activity, compared to any other activity
- The impact of charging any part of the community on the current and future social, economic, environmental and cultural needs of the community

Community Outcomes to which the activity primarily contributes section 101(3)(a)(i)

This policy promotes the economic, social, cultural and environmental wellbeing of the community and supports the following community outcomes which have particular relevance to the Council's decision on how to fund growth related reserves, network infrastructure and community infrastructure:

- **A prosperous community:** The policy recognises that development contributions and financial contributions both have a place in providing an environment conducive to development and growth. Alone, neither tool is considered especially flexible but together they are considered appropriate.
- **A healthy community and a safe community:** Development contributions fund growth related services and the framework encourages efficient use of land. These combine to promote a healthy and safe community.
- **A community with well developed amenities and recreational opportunities:** Development contributions assist with the affordability of the Council in provision of increased level of services through growth requirements.
- **A well-connected district:** Development contributions are by activity and each activity inter-links to provide Council's contribution to community outcomes.

The above list summarises some of the most relevant outcomes. The 10-Year Plan provides the comprehensive list of outcomes.

Distribution of benefits section 101(3)(a)(ii)

The benefits in this context are:

- Benefits which flow from the extra capacity, identified as coming from capital expenditure specified as relevant to development contributions. These flow to:
 - The current community; and
 - The future community (growth component)
- Assumed to have a value equal to the capital expenditure; and
- Similar to the benefits which flow from the service activity, being that which consumers receive from the existing capital assets.

Development contributions policy

The capital expenditure benefit is analysed as follows:

- Renewal/replacement expenditure – this benefits the current community replacing the existing asset base;
- New services expenditure – capital expenditure to provide benefits to both existing community and future communities on a pro-rata basis. The portion which benefits the future community (growth) is recoverable through development contributions;
- Growth expenditure – this benefits the existing and future community allowing for future demand of the existing asset and increased level of service. This is estimated over the next ten years.

It is assumed that both the existing and future communities share proportionately the benefits of any capacity until consumed by the expanding community.

Existing infrastructure will have capacity. The new growth community will benefit from this capacity. It is assumed that future developments will allow for similar capacity requirements. Where capacity is built in above that for the projected population these will not be funded by development contributions.

The period benefits are expected to occur section 101(3)(a)(iii)

The growth portion of capital expenditure is that which provides the level of service required for the growth in household unit equivalents and non-residential property growth over the 10 year period.

The extent to which actions or inactions of particular individuals/groups contribute to the need to undertake an activity section 101(3)(a)(iv)

Developments are 'actions' of the growth/future community that contribute to the district's need for increased community facilities.

The Council has estimated the extent of the growth within Wanganui district and has translated that to the number of developments that constitute growth. The Council has also identified the capital expenditure it

will incur as necessary to meet the needs of growth. These projects are identified in the schedule of capital expenditure.

There may be capital expenditure that increases the level of service due to community feedback (demand), to meet statutory obligations or conditions for example, resource consent or national policy objectives. The allocation of benefits and the costs take these factors into account.

Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities, and the period over which the benefits are expected to occur sections 101(3)(a)(iii) and (v)

The benefits of funding additional reserves and or infrastructure capacity required as a result of growth through development contributions include greater transparency and disclosure by passing on an appropriate share of the actual costs to developers. The developments expected in the next ten years are charged their fair portion, in that the capacity that benefits the existing community and future community beyond the 10 years is excluded from the development contribution.

For some activities the use of catchments aids transparency by identifying variations in the cost of providing infrastructure, according to the locality. The identification of small catchments for the collection of development contributions may not be cost effective and therefore a district wide approach will be more efficient for some activities with a larger number of widely located projects eg. urban and rural road sealing.

Overall impact on community wellbeings section 101(3)(b)

The overall impact of the use of a variety of sources for funding the current and future four 'wellbeings' has been to enable a fair and reasonable contribution towards the provision of the district's community infrastructure and facilities, from those responsible for and who benefit using appropriate funding mechanisms to achieve the result.

Development contributions or financial contributions

Financial contributions are required to avoid, remedy or mitigate any potential adverse environmental effects generated by activities. They are

Development contributions policy

also taken to provide for the immediate increased demand placed on infrastructure.

Development contributions are required to fund projects that ensure Council's city-wide infrastructure networks remain sufficient to cope with the growth of our community.

Requirement for development contributions section 202

Pursuant to section 202 of the LGA, Council can require a development contribution upon the granting of:

- A resource consent under the RMA (which includes subdivision).
- A building consent under the Building Act.
- An authorisation for service connection.

Except as provided below, development contributions will be sought at the time of subdivision for the following reasons:

- Administratively, it is simple to take contributions at this time.
- It is at the time of subdivision that future demand for services is established.

Where a household unit of demand, or its equivalent, is created outside of the subdivision process (for example, in the case of multi-unit developments or a factory) a development contribution will be taken at the time of building consent.

Council may accept with the person's agreement additional contributions for reserves, network infrastructure or community infrastructure.

Requirement for financial contributions

The Council may require a financial contribution to be paid or provided when granting a resource consent under the RMA. Chapter 27 of the District Plan- financial contributions from subdivision and development, provides for the collection of financial contributions.

The District plan also requires financial contributions for specified developments regardless of whether a resource consent is required.

In addition the Council may also impose as a condition of the consent a condition requiring a consent holder to undertake works and/or to provide services to avoid, remedy or mitigate the adverse affects of the activity authorised by the resource consent. These works will generally take place within the boundary of the development and are detailed in paragraph 27.2.

A financial contribution required as a condition of a resource consent under the RMA may be subject appeal under the RMA.

Use of development contributions section 204

Development contributions are imposed under this policy in accordance with the LGA to fund the capital expenditure incurred by Council as a result of growth and are to be used for, or towards, that capital expenditure for which the contribution was required.

Development contributions are not a tool to fund the cost of maintaining infrastructure or to increase the level of service to existing users.

Council has committed to fund the development of a number of works that have, to differing extents, a growth-related component. The works are:

- Water supply - surplus capacity has been designed into water mains.
- Roading - Mosston Road upgrade (a portion of this proposed project caters for city growth – the remainder is upgrade of service).
- Roading - seal extensions in rural areas arising from growth.
- Roading - traffic safety works (some of the capital works undertaken for safety reasons are attributable to growth).
- Stormwater - capacity in the city collector.
- Wastewater - a share of capacity in the wastewater treatment plant.

Exemption to require development contributions section 200

Development contributions will not be required for a reserve, network infrastructure or community infrastructure in the following circumstances:

Development contributions policy

- Where conditions have been imposed under s108(2)(a) of the RMA in relation to the same development for which the development contribution would have otherwise been required; or
- Where a developer has agreed to fund the same reserve, network infrastructure or community infrastructure; or
- Where the Wanganui District Council has received or will receive funding from a third party.
- Where a resource consent (subdivision) is granted for a boundary adjustment and no additional allotments are created.
- Where at the time of seeking a building consent for units of demand, they were already paid for at the time of subdivision.
- For a non-residential development where the development is less than 10m².

The Council's own developments are exempt from being liable to pay development contributions. For the avoidance of doubt, this exemption does not apply to council-controlled organisations.

Powers to recover unpaid development contributions section 208

If a development contribution required in relation to a development is not received, Council will use the powers outlined in section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid, or made under section 198, a territorial authority may:

- (a) in the case of a development contribution required under section 198(1)(a), -
- Withhold a certificate under section 224(c) of the Resource Management Act 1991.
 - Prevent the commencement of a resource consent under the Resource Management Act 1991.
- (b) in the case of a development contributions required under section 198(1)(b), withhold a building consent under section 95 of the Building Act 2004.
- (c) in the case of development contribution required under section 198(1)(c), withhold a service connection to the development.

(d) in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

Schedule of Development Contributions

Activity		Catchment		Development contribution per HUE (GST Exclusive) - Urban	Development contribution per HUE (GST Exclusive) - Rural
Infrastructure Activity	Project				
Roading	Mosston Road	Whole district	of	525.07	525.07
	Urban and Rural Road Sealing and Extensions	Whole district	of	146.66	70.27
	Minor Safety Upgrades	Whole district	of	373.66	1790.44
Water Supply	Water capacity	Urban residents		331.34	-
Wastewater	Interceptor	Urban residents		53.89	-
	Wastewater Treatment Plant	Urban residents		494.50	-
Total				\$1,925.12	\$2,385.78

How development contributions have been calculated (methodology)

The following is a summary of the way each development contribution has been calculated. Schedule 13 of the LGA has been used.

There are two categories of development contribution. These are residential development and non-residential development. Each are

Development contributions policy

calculated to provide a HUE however, there are a number of additional calculations to convert non-residential to HUEs.

A full explanation of, and justification for, the way each development contribution in the schedule of development contribution charges is calculated are available for inspection from Council's main office at 101 Guyton Street Wanganui. A copy of the policy may be downloaded from Council's website www.wanganui.govt.nz. A copy of this policy is also available at Wanganui District Library, Corner of Cameron Terrace and Campbell Street, Queens Park, Wanganui.

Residential Development

STEP 1: Area of Development/Catchment per Activity	Verify what (geographical) development contribution catchment/area the development lies within.
STEP 2: Number of HUEs per Activity	Calculate total HUE. Using the HUE conversion information establish how many HUEs the proposed development will create for each asset category.
STEP 3: HUE Credits per Activity (Existing Entitlement)	Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title. For subdivisions (where the residual lot remains residential, the existing title will have a full historic credit meaning no development contribution is payable on the residual title. Where a second (residential) dwelling is created on an existing title the existing dwelling will have a full historic credit meaning no development contribution is payable on the existing dwelling. Note: each dwelling (irrespective of size) is deemed to be one HUE. Therefore, additions to existing residential dwellings (for residential purposes) will attract no development contribution charge.
STEP 4: Net increase in demand per Activity	Calculate the increase in HUEs (Step 2 minus Step 1)
STEP 5: Pricing Schedule	Go to the Development Contributions Schedule and identify the development contributions payable per HUE for the catchment/area per activity. <i>(There will be a development contribution on any additional titles created by subdivision or any additional dwelling(s) created in the absence of subdivision.)</i>

STEP 6: Charge per activity (Excluding Reserves)	For each activity multiply the number of HUEs (Step 4) by the charges payable (Step 5).
STEP 7: Sum of Activity Charges (excluding reserves)	Calculate the total development contribution by summing the individual charges established in Step 6.
STEP 8: Reserves	In addition, refer to the Development Contributions Schedule and identify the charge payable per HUE for the catchment for reserves.
STEP 9: Total Development Contribution Payable	Add together the results from Steps 7 and 8 to get the total development contribution for the proposed development and add GST of 12.5%..

Non-residential development

STEP 1: Area of Development/Catchment per Activity	Verify what (geographical) development contribution catchment/area the development lies within.
STEP 2: Number of HUEs per Activity	Calculate total HUE. Using the HUE conversion information establish how many HUEs the proposed development will create for each asset category.
STEP 3: HUE Credits per Activity (Existing Entitlement)	Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title. For subdivisions (where the residual lot remains in the same use the existing title will have a full historic credit meaning no development contribution is payable on the residual title. Where a second development is created on an existing title the existing development will have a full historic credit meaning no development contribution is payable on the existing development.
STEP 4: Net increase in demand per Activity	Calculate the increase in HUEs (Step 2 minus Step 1)
STEP 5: Pricing Schedule	Go to the Development Contributions Schedule and identify the development contributions payable per HUE for the catchment/area per activity. <i>(There will be a development contribution on any additional titles created by subdivision or any additional development(s) created in the absence of subdivision.)</i>
STEP 6: Charge per activity (Excluding Reserves)	For each activity multiply the number of HUEs (Step 4) by the charges payable (Step 5).

Development contributions policy

STEP 7: Sum of Activity Charges (excluding reserves)	Calculate the total development contribution by summing the individual charges established in Step 6.
STEP 8: Reserves	In addition, refer to the Development Contributions Schedule and identify the charge payable per HUE for the catchment for reserves.
STEP 9: Total Development Contribution Payable	Add together the results from Steps 7 and 8 to get the total development contribution for the proposed development and add GST of 12.5%..

Units of demand

Residential

The household unit is considered a good proxy for measuring growth. It is assumed that each new parcel will generate an additional unit of demand (actual or potential). It is further assumed that units of demand will equate with one another as follows:

Activity	Measure	Demand per HUE
Roading	Vehicles per day (VPD)	10
Water	Litres per day	635
Wastewater (collection and treatment)	Litres per day	635
Stormwater	Impervious surface area m ²	700

Household is equivalent to one dwelling (average 2.4 persons [2006 census]).

Commercial accommodation

Commercial accommodation is usually made up of a number of beds catering for a number of people rather than household units. The number of HUEs is calculated by using a household conversion factor and then multiplying it by the average occupancy rate for the type of accommodation. This figure is the previous years annual average occupancy rate (rounded up to the nearest 10%), taken from May to April as determined by the Accommodation Survey (produced by Statistics New Zealand). This will be updated annually.

Given that each person staying in commercial accommodation is equivalent to 47 percent of a household unit (2.1 persons), the conversion factor for commercial accommodation is 0.47. The formula to convert occupancy to HUE is therefore:

$$(Maximum\ occupancy \times 0.47) \times District\ Occupancy\ Rate = HUE(CA)$$

For example, the HUE for a motel development catering for a maximum of 200 people (and taking the accommodation survey figure of 60%) is 56.4 HUE (CA).

Workings: $(200 \times 0.47) \times 60\% = 56.4\ HUE\ (CA)$.

Non-residential developments

To calculate the number of HUEs in a non-residential development

Non-residential applications

For non-residential consent applications HUEs will be calculated for each activity using the following methodology:

Use the Gross Floor Area (GFA) conversions table below to estimate the HUE

The demand on services of any activity will be calculated based on an assessment of the demand when the activity is established and operational, not on the demand created temporarily during construction.

GFA conversions

The table below summarises the conversion factors to convert the GFA of a non-residential building to an average household unit, or HUE

Land use

Commercial	60m ² gross floor area equates to one HUE
Industrial	100m ² gross floor area equates to one HUE

Development contributions policy

Significant assumptions

Section 201(1)(b) of the LGA requires the development contributions policy to state significant assumptions underlying the calculation of the schedule of development contributions, and to state the potential effects if there is uncertainty in the scope and nature of those effects.

Population growth

The population in 2006 was 43,800 people. The population growth model is based on the medium population projections for the district produced by Statistics New Zealand.

	2006	2016	10 year % change 2006-16	2026	20 year % change 2006-26
Population	43,800	43,000	-1.9%	41,600	-5.2%
Households	18,250	19,196	5.18%	19,809	8.5%
Average people per household	2.4	2.24	-6.67%	2.1	-12.5%

The trend is for a slow decline to 41,600 people by 2026. However, the number of dwellings will increase by approximately 70 – 80 per year through growth. The average people per household is anticipated to decrease from 2.4 (2006) to 2.1 by 2026. The movement in number of dwellings as a result is an increase from approximately 18,250 dwellings to 19,809 by 2026.

There is a pattern of development that shows particular pockets of development to the west of the city in a restricted services area. There is an approximate 60/40 split between residential and rural development. The impact of growth in the rural area has impacts on roading and stormwater and may not impact on water, wastewater where these supplies are restricted. Growth in urban areas will impact on all infrastructure services.

Council has used past trends in non-residential building activity to project the number of non-residential developments Council might expect over the

period. This represents around 15 new non-residential developments per year.

Population growth at a rate greater than predicted will reduce existing capacity sooner than expected and may accelerate the replacement programme but will not have an unduly damaging impact on the environment.

Growth at a much slower rate than expected is a possibility. With slower growth will come a reduction in revenue and a commensurate lessening of the need for the capital projects part funded by these contributions. Growth may differ in location from that predicted. In this case the pressure may be put on existing services and the ability to provide appropriate capacity. This issue may provide different impacts on the capital programme which could affect the value of the programmed works.

Growth and level of service

It is further assumed that roading projects will continue to respond to growth pressure in much the same way they currently do. In particular, over the next 10 years, it is expected that safety and resealing works will continue at levels they have over the past several years. A 10 year planning horizon is assumed.

Council's growth strategy may also change the nature of development contributions, particularly if it results in a reallocation of growth from the rural environment into more urban settings. As with other aspects of this policy, should the growth strategy result in a significant change to growth patterns, these can be accommodated through changes to the policy – in all likelihood promulgated through the growth strategy process.

As a source of revenue for Council, development contributions are a relatively small part of a much larger income stream. Therefore, contributions are not considered to be a critical component of the overall funding policy.

Development contributions policy

Financial assumptions

The financial assumptions used in this policy are the same as those provided for in Council's 10-Year Plan and include, but are not limited to, third party funding, population growth, interest rates, funding sources.

In addition the costs used in this policy are based on the best information available at the time. It is likely that actual costs will differ from those estimated due to factors outside Council's control e.g. the price of materials, labour and timing of the costs. Council will update these costs regularly.

Key risks and effects

Growth predictions may not eventuate resulting in a change to the rate of development and or the general location of that development. To reduce this effect Council will monitor the growth and update the capital programme and funding as appropriate.

There is a risk that the timing and amount of the expenditure incurred by Council and the receipt of the development contributions may differ from that in the model. The effect is that Council may incur increased debt servicing cost to provide for the difference. Council will continue to monitor the timing of development and growth and adjust where possible.

Postponement, remission, or refund of development contributions section 201(1)(c)

All applications for made under this part will be considered on their own merits.

Postponement

A postponement is a delay in the payment of a scheduled charge for a particular activity development contribution in full or in part.

This policy does not provide for postponement; however Council may review this in the future.

Remission

A remission is an adjustment to the scheduled charge for a particular activity and development contribution area as a percentage or in dollar terms.

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

- (a) The development creates no additional HUEs.
- (b) A contribution has already been paid for the same service.
- (c) Development contributions applicable to a particular development are deemed by Council to be excessive for any other reason.
- (d) The Council may remit or postpone payment of a development contribution at its complete discretion.

Where units of demand are created Council will only consider exercising its discretion in exceptional circumstances.

Examples where remission applications may be appropriate are as follows:

- i) Papakainga housing and other social housing projects.

Note: Previous decisions of the Council will not be regarded as creating precedent or expectations.

Applications for remission of development contributions shall:

- (a) be made by notice in writing, from the applicant to Council and
- (b) be applied for before a development contribution payment is made to Council. Council will not allow remissions retrospectively.
- (c) set out reasons for the request.

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request
- Council may determine whether to hold a hearing for the purposes of the review; and give at least 5 working days notice to the applicant of the commencement date, time, and place, of that hearing

Development contributions policy

- Council may, at its discretion, uphold, reduce, postpone or cancel the original amount of development contributions required on the development and
- Council shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing
- Council may delegate this role to Council Officers.

- the development or building in respect of the building or resource consent was granted does not proceed
- the council does not provide the reserve, network or community infrastructure for which the development contribution was required.

Where Council decides to consider a request for remission the following matters will be taken into account:

- The Development contributions policy
- The contributions model
- Council's funding and financial policies
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme
- The level of existing development on the site. (Where multiple existing and pre-existing uses can be established Council will have regard to the most intensive uses).
- Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - Development contributions
 - Agreements with Council
 - Financial contributions under the RMA
- Any other matters Council considers relevant.

The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance. Refunds will not include use of money interest.

If the development contribution was for a specified reserve purpose the Council will refund the contribution paid (or land received) if the money (or land received) for the purpose is not used within 10 years from the time of receipt or the period specified in this policy.

The amount of the refund received for a specified reserve purpose will be the contribution paid (or land provided) less and subject to Council retaining a portion of the development contribution relative to the council costs incurred in refunding the money or land.

Any refunds will be issued to the current consent holder for the development to which they apply.

In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.

Refund

Refunds will be made in accordance with sections 209 and 210 of the Local Government Act 2002, including any amendments made to those provisions at the time of making a refund. These include:

- the resource consent
 - lapses under S 125 of the RMA; or
 - is surrendered under S 138 of the RMA;
- the building consent lapses under S 41 of the BA.

Development contributions policy

Appendix 1: S106 Summary of capital expenditure Council will incur to meet increased demand from growth

Development Contributions will not be used for council expenditure incurred for maintenance on reserves, network infrastructure or community infrastructure in accordance with S204 LGA.

Table 1 - Development contributions for Mosston Road (Roading activity)	
Development contribution area	Whole of District
Development contribution rate (per lot)	\$525.07
Period contribution required for	10 years
Unit of demand	1 dwelling unit = 1 lot = 10 traffic movements per day
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	\$2,756,600 (net of NZTA subsidy of 72%).
Development contribution share to be recovered	Growth related project cost of \$551,320 (net of NZTA subsidy).
Justification	The current seal width averages 7.8m. In terms of NZS 4404:2004 this provides a road accommodating 4,500 VPD. The actual traffic volume is 4,750 VPD. The Council in its 10-Year Plan has planned the upgrading of Mosston Road to the standard of a secondary arterial road in the period 2013 - 2016 to cater for an increase in capacity to 6,900 VMD. Because of its arterial function a percentage of this upgrade is to be funded by all subdivisions, the residual is rate funded. It is assumed that each growth unit (new parcel) creates 10 VMD and that 20% (430 VMD) of all traffic related to growth uses Mosston Road. Based on the projected growth of 105 demand units per annum, the extra capacity will be absorbed in 10 years. Therefore the cost of the growth capacity has been split over the number of demand units projected in the next 10 years.

Development contributions policy

Table 2 - Development contributions to pay for Urban and Rural Sealing and Extensions (Roothing activity)	
Development contribution area	Whole of District
Development contribution rate (per lot)	\$70.27 Per DU - rural and \$146.66 Per DU - urban
Period contribution required for	per year
Unit of demand	1 dwelling unit = 1 lot = 10 traffic movements per day
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	\$1,011,940 per annum (net of NZTA subsidy of 62%).
Development contribution share to be recovered	Growth related project cost of \$10,119 (net of NZTA subsidy)
Justification	<p>This work relates to road improvements in the rural area where forestry development and life style properties have demanded seal extensions. These improvements are a direct result of the developments taking place and hence should be funded by levies on these developments. Because seal extensions are not always related to residents living on unsealed roads and also in consideration of the prohibitive cost of just these people paying for rural seal extensions all rural subdivisions are to contribute towards this program of works. Currently they are funded from the general ratepayer. It also relates to projects in the urban area where developments have caused growth in traffic demand requiring road upgrades to accommodate larger traffic volume. This programme of works is based on historic expenditure and excludes the Whanganui River Road. It is assumed that 20% of the total project cost (less subsidy) is growth related costs and that these costs are split evenly between rural and urban growth.</p>

Development contributions policy

Table 3 - Development contributions to pay for Minor Safety Upgrades (Roading activity)	
Development contribution area	Whole of District
Development contribution rate (per lot)	\$373.66 Per DU - urban and \$1790.44 Per DU - rural
Period contribution required for	1 year
Unit of demand	1 dwelling unit = 1 lot = 10 traffic movements per day
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	\$257,824 pa (net of NZTA subsidy of 62%).
Development contribution share to be recovered	20% of urban minor safety costs, 50% of rural minor safety costs
Justification	This work relates to road safety improvements required in the network as a direct result of growth related development. In the rural area this relates to forestry and lifestyle developments that result in roads that no longer comply with the Government Policy Statement, NZ Transport Strategy and Council's own road safety standards. In the urban area growth related development directly affects safety at intersections, and on district arterial, collector roads and local roads. The assumption is that 50% of the costs spent on rural road minor safety is attributable to growth and 20% of urban road minor safety is attributable to growth.
Table 4 - Development contributions to pay for Water capacity (Water supply activity)	
Development contribution area	Urban residents
Development contribution rate (per lot)	\$331.34
Period contribution required for	10 years
Unit of demand	Dwelling unit/person (water consumption)
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	\$282,000 per annum for trunk main renewals plus \$4.9M for supply
Development contribution share to be recovered	15% for trunk main renewals, plus 6.7% of supply cost
Justification	These projects are to secure the City water supply and allow for growth. 15% of the cost of trunk main works is attributed to growth because it provides for an increased pipe size to accommodate growth. Water supply storage and source projects have and are planned to occur to secure the City water supply. The growth component of these projects is calculated at 6.7% on the basis that 10 litres per second of additional capacity will be provided to cater for growth, effectively providing 15 years additional capacity.

Development contributions policy

Table 5 - Development contributions to pay for Interceptor (Wastewater activity)	
Development contribution area	Urban residents
Development contribution rate (per lot)	\$53.89
Period contribution required for	10 years
Unit of demand	Dwelling unit
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	Growth related cost of \$458,640
Development contribution share to be recovered	100%
Justification	The city interceptor system was sized for a population of 63,000 people. The project cost was approximately \$450,000 greater than would have otherwise been the case if growth were not accommodated. This extra capacity should last 123 years given current household and population growth projections.
Table 6 - Development Contributions to pay for Wastewater Treatment Plant (Wastewater activity)	
Development contribution area	Urban residents
Development contribution rate (per lot)	\$494.50
Period contribution required for	10 years
Unit of demand	Household/Allotment
Trigger (time at which contribution will be taken)	Subdivision (payable at issuing of s224 certificate)
Council cost of service	\$10.2M
Development contribution share to be recovered	68% of the potential additional volume capacity post-separation completion
Justification	Post-separation the pond design allows for growth by permitting the nominal operational level to be progressively increased by up to 2 m. The shape of the pond allows for increased volume capacity in the upper 2 m level of 8.1% over the 20 year design life of the pond. The projected increase in required treatment capacity from household growth over 20 years is 7.37%. The cost of this growth component is calculated at 91% of the cost of the available household allocated capacity (7.37%/8.1%), which is \$543.55 per WC (\$10.2M/18,722 WCs)

Earthquake-prone buildings policy



1. Background

Section 131 of the Building Act 2004 required territorial authorities (TAs) to adopt a policy on earthquake-prone buildings. Wanganui District Council first adopted its policy on earthquake-prone buildings on 6 June 2006. Wanganui District Council is now reviewing its earthquake-prone buildings policy following the special consultative procedure set out in Section 83 of the Local Government Act 2002. It is anticipated this policy review will be completed by April

2009 and the revised Policy adopted. This policy is the draft Earthquake-prone buildings policy 2008 that is currently out for consultation.

Since first adopting an earthquake-prone buildings policy in 2006 Council has identified buildings that are potentially earthquake-prone according to definition.

These potential earthquake-prone buildings now form a register associated to this policy.

Work is still to be completed in notifying effected owners that their buildings are listed and the consequences associated with such a listing.

The draft 2009 Earthquake-prone buildings policy attempts to clarify these requirements including setting definite timeframes when work is to be completed by.

This policy is required to state:

1. The approach that the Wanganui District Council will take in performing its functions under the Building Act 2004
2. Wanganui District Council's priorities in performing those functions
3. How the policy will apply to heritage buildings

The definition of an earthquake-prone building is set out in section 122 of the Building Act 2004 and in the related regulations that define 'moderate earthquake'. The government has, in regulations, defined a moderate earthquake as:

'in relation to a building, an earthquake that would generate shaking at the site of the building that is of the same duration as, but that is one-third as strong as, the earthquake shaking (determined by normal measures of acceleration, velocity and displacement) that would be used to design a new building at the site.'

This definition covers more buildings and requires a higher level of structural performance of buildings than required by the Building Act 1991.

NZS3604:1999 states that Wanganui is located in a high risk earthquake area. Consequently building standards in Wanganui are more stringent than in some other, less earthquake-prone areas of New Zealand.

2. Policy Approach

2.1 Policy principles

Provisions of the Building Act 2004 in regard to earthquake-prone buildings reflect the government's broader concern with the safety of the public in buildings and, more particularly, the need to address life safety in the event of a moderate earthquake.

Council is committed to ensuring that its district is a safe place to live and work in, while balancing the four wellbeings of the Local Government Act 2002: social, economic, environmental and cultural.

This policy attempts to give owners of earthquake-prone buildings a clear understanding of their responsibilities including timeframes by which they are to have had their buildings assessed and also fully compliant.

Council has noted that the development of earthquake-prone policies is up to each Territorial Authority and has responded accordingly. This policy has been developed after due consultation with Wanganui District Council ratepayers and stakeholders in accordance with section 83 of the Local Government Act 2002, and with particular regard to the submissions received.

Earthquake-prone buildings policy

Council is also noting the opportunity to and its intention to lobby Central Government to relax requirements in relation to retrospective compliance of Earthquake Prone Buildings or seek Government funding assistance for communities like Wanganui with old building stock and heritage buildings.

2.2 Economic impact of this policy

The economic impact of the Earthquake-Prone Buildings Policy can only be fully assessed after the initial building evaluation phase has been completed and the scale and extent of the required strengthening work identified. For this reason Council has first set timeframes for initial evaluation of performance assessments (IEP) to be completed and then set timeframes by which compliance is required. Councillors have discussed the economic impact, based on preliminary information, to balance the timing of the compliance programme, and to ensure that a balance is struck between the need to address earthquake risks whilst taking into account the social and economic implications of implementing the policy.

2.3 Access to earthquake-prone buildings information

Council information concerning the earthquake status of buildings will be available to the public via informal counter enquiries or formally via a Land Information Memorandum (LIM) or Project Information Memorandum (PIM).

This public information will reflect the earthquake-prone building policy register together with policy compliance requirements.

2.4 Building Standards

The Act requires buildings identified as earthquake-prone to be strengthened to the minimum level of 34%. However, the NZ Society of Earthquake Engineers recommends strengthening to 67%, and Council will actively encourage owners to upgrade to greater than 34%.

3. Intent

Council has assessed the risks associated with earthquake-prone buildings and has adopted a scaled category for buildings based on importance levels as defined under AS/NZS 1170.0:2002.

The main emphasis of this policy is to reduce the risk posed to human life in buildings by earthquakes.

However graduated policy provision has been made for the continuation of essential services, protection of contents of high value, protection of heritage buildings and avoiding serious environmental effects.

Therefore, the policy will initially address buildings that have special post-disaster functions as follows:

- Category A (Post Disaster Functions) Buildings with special post-disaster functions as defined in AS/NZS 1170.0:2002, Importance Level 4:

Policy: Building owners are expected to have completed an IEP (initial evaluation of performance assessment) at their own expense and notified Council of the result by December 2010, have started compliance work to meet the required standard by 2020 and achieved compliance by 2030.

- Category B (High Risk Buildings): Buildings that contain people in crowds or contents of high value to the community as defined in AS/NZS 1170.0:2002, Importance Level 3.

Policy: Building owners are expected to have completed an IEP (initial evaluation of performance assessment) at their own expense and notified Council of the result by December 2010, have started compliance work to meet the required standard by 2020 and achieved compliance by 2030.

- Category C: Buildings with Importance Level less than 3 as defined in AS/NZS 1170.0:2002.

Earthquake-prone buildings policy

Policy: Building owners are expected to have completed an IEP (initial evaluation of performance assessments) at their own expense and notified Council of the result by December 2010, have started compliance work to meet the required standard by 2030 and achieved compliance by 2040.

4. Earthquake-prone building register

Council will maintain an earthquake-prone buildings register identifying which buildings fall into which categories after initial Council assessments. The owners of these buildings will be notified that they are on the register and their associated requirements in accordance with this policy.

Council reserves the right to add particular buildings to the register based on information it may receive or be aware of. In cases of additions to the register, the owners of the properties concerned will be notified of the listing and asked to undertake an IEP (initial evaluation of performance assessment) to clearly determine whether the building is in fact earthquake prone in relation to this policy.

Owners of listed earthquake-prone buildings will also have the ability to challenge in writing any listing that Council makes and to have the matter formally heard and determined by Council.

5. Heritage Buildings

Definition: Heritage buildings include, but are not limited to:

- Any building within any proposal to register, or registered place, historic area, wahi tapu or wahi tapu area under the Historic Places Act 1993.
- Any building or structure contained in the heritage register, Appendix A, Wanganui District Plan.
- Any heritage building or Actively Managed Historic Place listed in an Historic Resources Strategy or Conservation

Management Strategy and Conservation Management Plan prepared under the Conservation Act 1987.

- Any heritage building listed in a reserve management plan prepared under the Reserves Act 1977.
- Any building established by the Maori Land Court under Te Turi Whenua Maori Land Act 1993 for historic and cultural purposes.
- Any building of importance to tangata whenua listed in an Iwi Management Plan
- Any structures or buildings associated with an historic cemetery or memorial.
- Any building managed for heritage purposes by agencies such as New Zealand Historic Places Trust, Ministry of Culture and Heritage, Department of Conservation or Local Authorities.
- Any building that is subject to a heritage order, heritage covenant or other protective covenant.

Wanganui District Council considers it important that its heritage buildings have a good chance of surviving a moderate earthquake. However, Council does not wish to see the intrinsic heritage values of these buildings adversely affected by structural improvement measures.

Heritage buildings will be assessed in the same way as other potentially earthquake-prone buildings and discussions held with the owner(s) and the Historic Places Trust to identify a mutually acceptable solution to mitigate any potential earthquake risk. Special efforts will be made to meet heritage objectives which may, on a case by case basis, require the acceptance of a lower standard and its attendant risk.

6. Building facades

The 2007 Gisborne earthquake highlighted the risk façade's in built up areas pose during earthquake events. Parapets and façade's are often

Earthquake-prone buildings policy

poorly constructed or tied back causing them to fall over busy accessways or against neighbouring buildings during an earthquake event.

The risk is deemed significant enough for Council to consider developing suitable policy and methods to address the issue.

Council signals within this Policy that it will attempt to identify buildings within high risk areas with parapets that are potentially dangerous during a moderate earthquake. Council will then develop draft policy to ensure these parapets are suitably removed, tied back or stabilised.

Council will consult with any potentially effected building owners during development of any façade policies.

7. Review of this policy

Wanganui District Council has the ability to review this policy at any time provided it formally resolves to do so and adopts the Special Consultative Procedure as detailed within the Local Government Act 2002.

At very least Council will undertake a formal review of this policy within 5 years of the adoption of the last review.

Council will also maintain the earthquake-prone buildings register associated to this policy and will endeavour to further determine which buildings are Category C earthquake-prone buildings. Emphasis to date has been on identifying Category A and B buildings, as a matter of priority.

8. District Plan

In the event of conflict between this policy and the Wanganui District Plan, Council will review provisions of the District Plan to ensure earthquake-prone buildings can be modified or removed where no practical alternative exists.

Dangerous and insanitary buildings policy

Introduction and background

Section 131 of the Building Act 2004 (“the Act”) requires territorial authorities (“TAs”) to adopt a policy on dangerous and insanitary buildings by 31 May 2006. This policy is that which Council adopted early in 2006.

One of the key purposes of the Act, as set out in section 3, is to ensure ‘people who use buildings can do so safely and without endangering their health.’ Section 4 details the principles to be applied in performing functions under the Act and specifically states that TAs must take these principles into account in the adoption and review of their dangerous and insanitary building policies.

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

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

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

The definition of an insanitary building is set out in Section 123 of the Act:

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

- (a) is offensive or likely to be injurious to health because-*
 - (i) of how it is situated or constructed; or*
 - (ii) it is in a state of disrepair; or*
- (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building; or*
- (c) does not have a supply of potable water that is adequate for its intended use; or*
- (d) does not have sanitary facilities that are adequate for its intended use.”*

This document sets out the policy proposed to be adopted by Wanganui District Council (“Council”) in accordance with the requirements of the Building Act 2004.

The policy is required to state:

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

In developing and adopting its Dangerous and Insanitary Buildings policy, Wanganui District Council has followed the special consultative procedure set out in Section 83 of the Local Government Act 2002.

It is likely that in many, but not all, cases a building’s dangerous or insanitary status will not be readily apparent. For that reason, any attempt to identify these buildings proactively is unlikely to be successful unless a TA has considerable resources to undertake inspections and evaluations of buildings.

As a consequence, the most likely sources of information concerning dangerous or insanitary buildings will be from building occupants, neighbours, or as the result of an inspection by the police, the fire service or other agencies authorised to inspect buildings. Other sources of information will be known directly by Council, possibly following a significant weather event.

Relying on complaints to provide information concerning potentially dangerous or insanitary buildings may be the only practical way in which TAs can identify these buildings within their districts and undertake their statutory responsibilities.

Dangerous and insanitary buildings policy

Policy approach

Policy Principles

Provisions of the Act in regard to dangerous and insanitary buildings reflect the government's broader concern with the safety of the public in buildings, and with the health and safety of people occupying buildings that may be considered to be insanitary. However, Council recognises that public safety must be balanced against the other broader economic issues and in relation to other Council Policy.

The Council has noted that the development of a dangerous and insanitary building policy is to be undertaken by TAs independently and has responded accordingly. This policy will be developed after due consultation with Wanganui District Council ratepayers and stakeholders in accordance with section 83 of the Local Government Act 2002.

Overall approach

Sections 124 to 130 of the Act provide the authority necessary for TAs to take action on dangerous and insanitary buildings and set out how this action is to be taken.

The Council is actively involved in educating the public on the need to discuss their development plans with Council and to obtain building consent for work Council deems is necessary prior to any work commencing. This is particularly important in order to avoid creating dangerous and insanitary conditions that could be injurious to the health of occupants, particularly children and the elderly, or where safety risks are likely to arise from a change in use.

Council has indicated that it should take stronger enforcement action under the relevant statutes (Building Act, Health Act, Housing Improvement Regulations etc) for dangerous and insanitary buildings to provide a strong message to the public that Council places paramount importance on the safety of the community. This stance also creates a strong message of deterrence for those property owners who do not seek Council's advice prior to undertaking building works.

Identifying Dangerous and Insanitary Buildings

The Council will:

1. Take a passive approach to identification of buildings.
2. Actively respond to and investigate all buildings complaints received.
3. Identify from these investigations any buildings that are dangerous or insanitary.
4. For dangerous buildings, inform the owner(s) and occupier of the building to take action to reduce or remove the danger, as is required by Section 124 and 125 of the Act; (and liaise with the New Zealand Fire Service when Council deems it is appropriate, in accordance with Section 121 (2) of the Act).
5. For insanitary buildings, inform the owner(s) of the building to take action to prevent the building from remaining insanitary; (and liaise with the Wanganui District Health Board's Medical Officer of Health when required to assess whether the occupants may be neglected or infirm).

Assessment criteria

The Council will assess dangerous and insanitary buildings in accordance with the Act and established case-law, as well as the building code:

The Council will:

- Investigate as to whether the building is occupied
- The use to which the building is put
- Whether the dangerous and insanitary conditions pose a reasonable probability of danger to occupants or visitors, or to the health of any occupants

Considerations as to dangerous assessment where a building is either occupied or not may include:

- Structural collapse
- Loose materials/connections
- Overcrowding

Dangerous and insanitary buildings policy

- Use which is not fit for purpose
- Seeking advice from NZFS (121(2)(a))

Considerations as to insanitary assessment where a building is occupied may include:

- Adequate sanitary facilities for the use
- Adequate drinking water
- Separation of use for kitchen and other sanitary facilities
- Likelihood of moisture penetration
- Natural disaster
- Defects in roof and walls/poor maintenance/occupant misuse
- The degree to which the building is offensive to adjacent and nearby properties

Taking Action

In accordance with s124 and s125 of the Act the Council will:

- Advise and liaise with the owner(s) of buildings identified as being dangerous or insanitary
- May request a written report on the building from the New Zealand Fire Service (dangerous building)
- If found to be dangerous or insanitary
 - Attach written notice to the building requiring work to be carried out on the building, within a time stated in the notice being not less than 10 days, to reduce or remove the danger
 - Give copies of the notice to the building owner, occupier, and every person who has an interest in the land, or is claiming an interest in the land, as well as the New Zealand Historic Places Trust, if the building is a heritage building:
- Contact the owner at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with
- Where the danger is the result of non-consented building work, Council will formally request the owner(s) to provide an explanation as to how the work occurred and who carried it out

and under whose instructions; (and apply for a Certificate of Acceptance if applicable)

- Pursue enforcement action under the Act if the requirements of the notice are not met within a reasonable period of time as well as any other non-compliance matters.

If the building is considered to be immediately dangerous or insanitary the Council will:

- Cause any action to be taken to remove that danger or insanitary condition (this may include prohibiting persons using or occupying the building and demolition of all or part of the building); and
- Take action to recover costs from the owner(s) if the Council must undertake works to remove the danger, or insanitary condition
- The owner(s) will also be informed that the amount recoverable by Wanganui District Council will become a charge on the land on which the building is situated.

All owners have a right of appeal as defined in the Act, which can include applying to the Department of Building and Housing for a determination under s177(e) of the Act.

Interaction between the Dangerous and Insanitary Buildings policy and related sections of the Act

1.3.1 Section 41: Building consent not required in certain cases

In cases where a building is assessed as being immediately dangerous or insanitary the Council may not require building consent to be obtained for any building work required so as to remove the danger or insanitary condition immediately. However, prior to any action being taken it is imperative that building owners discuss any works with the Council, and then subsequently apply for the building consent as required by the Act.

Dangerous and insanitary buildings policy

Record Keeping

Any buildings identified as being dangerous or insanitary will have a requisition placed on the property file for the property on which the building is situated until the danger or insanitary condition is remedied.

In addition, the following information will be placed on the LIM:

- Notice issued that the building is dangerous or insanitary
- Copy of letter to owner(s), occupier and any other person that the building is dangerous or insanitary
- Copy of the notice given under section 124(1) that identifies the work to be carried out on the building and the timeframe given to reduce or remove the danger or insanitary condition.

Economic impact of policy

Due to the low number of dangerous and insanitary buildings encountered annually by the Council and the similarity between the obligations of territorial authorities as to what is determined as a dangerous and insanitary building under the Building Act 2004 and the Building Act 1991, the economic impact of this policy is, at this date, considered to be low.

Access to information

Information concerning dangerous and insanitary buildings will be contained on the relevant LIM, and Council records.

In granting access to information concerning insanitary buildings Wanganui District Council will conform to the requirements of the Local Government Official Information and Meetings Act 1987 and the Local Government Act 2002.

Priorities

The Council will give priority to buildings where it has been determined that immediate action is necessary to fix dangerous and insanitary conditions. Immediate action will be required in those situations to fix those dangerous and insanitary conditions such as prohibiting occupation of the property, put up a hoarding or fence and taking prosecution action where necessary.

Buildings that are determined to be dangerous and insanitary, but not requiring immediate action to fix those dangerous and insanitary conditions, will be subject to the minimum timeframes to prevent the building from remaining dangerous and insanitary (not less than 10 days) as set in s124(1)(c) of the Act.

Heritage buildings

No special dispensation will be given to heritage buildings under this policy.

The fact that a building has heritage status does not mean that it can be left in a dangerous or insanitary condition. As per s125(2)(f) of the Act a copy of any notice issued under s124 of the Act will be sent to the New Zealand Historic Places Trust where a heritage building has been identified as a dangerous and insanitary building.

Contact us

Address	101 Guyton Street Wanganui
Postal	PO Box 637 Wanganui 4500
Telephone	(06) 349 0001
Fax	(06) 349 0000
Email	wdc@wanganui.govt.nz
Web	www.wanganui.govt.nz

Further contacts

Animal control	(06) 349 0517
Building and planning	(06) 349 0521
Cemetery and crematorium	(06) 343 9412
Civil Defence	(06) 349 0515
Customer services	(06) 349 0001
Health and liquor licensing	(06) 349 0522
i-Site information centre	(06) 349 0508
Library	(06) 349 1000
War Memorial Hall	(06) 348 0333
Noise complaints	(06) 349 0001
Parking	(06) 349 0001
Property	(06) 349 0001
Rates and debtor enquiries	(06) 349 0519
Royal Wanganui Opera House	(06) 349 0511
Sarjeant Gallery	(06) 349 0506
Splash Centre	(06) 345 6528
Stormwater separation	(06) 349 0548
Water and wastewater	(06) 349 0510
Whanganui Regional Museum	(06) 349 1110



Properties for potential divestment

Address	Legal Description	Ownership
1 Airport Road (HE)	CT WN 24A/829 Pt Lot 2 DP 10523 6.97ha more or less (subject to survey) 14.04 ha more or less (subject to survey)	Freehold fee simple
36 Ashton Terrace (HE)	CT 20D/486 Lot 2 DP 51557	Freehold fee simple
38 Ashton Terrace (HE)	CT 24C/553 Pt Lot 4 DP 46042	Freehold fee simple
38A Ashton Terrace (HE)	CT 16D/832 Lot 7 DP 46042	Freehold fee simple
40 Ashton Terrace (HE)	CT 17C/1306 Pt Lot 3 DP 46042	Freehold fee simple
44 Ashton Terrace (HE)	CT 16D/826 Lot 1 DP 46042	Freehold fee simple
2 Bamber Street (HE)	CT 37B/411 part Lot 1 DP 3054	Freehold fee simple
4 Bamber Street (HE)	CT 37B/411 part Pt Lot 106 DP 264	Freehold fee simple
9 Birch Place	Lot 78 DP 48286. Vested	Freehold Fee simple
4 Bryce Street (HE)	CT 14B/1162 Lot 10 DP 34223	Leasehold land
8 Bryce Street (HE)	CT 33C/995 33C/996	Leasehold land
64 Carlton Avenue (CE)	CT 10C/1166 Lot 1 DP33668	Freehold fee simple
8 Gilmour Street	CT 14B/1082, Section 554 Town of Wanganui; CT 47C/373, Lot 1 DP 81089	Freehold fee simple
113 Great North Road	Lot 1 DP 7737	Freehold fee simple
57 Heads Road	Lot 6 DP 81353	
4 Jackson Street (CE)	CT 477/193 Lot 1 DSP 304	Freehold fee simple
10 Jackson	Lot 3 DP 80846	Freehold fee

Street		simple
73 Karaka Street (FH)	CT 780/34 25D/682pt	Freehold fee simple
9 Karoro Road	Lot 2, 4 and 5 DP 42629	Freehold fee simple
3 Kotuku Street (FH)	CT 21A/476 Lot 3 DP 49146	Freehold fee simple
12 Lenihan Street	Lot 1 DP 59241	Freehold fee simple
101A Manuka Street (CE)	CT 32A/826 Lot 4 Pt Lots 1 & 2 DP 5562 Pt Lot 2 DP 4656	Freehold fee simple
3 Market Place (CE)	CT 86/217, Pt Sec 76 T.O.W	Leasehold land
1 Montgomery Road Montgomery Reserve	Section 337 Right Bank Wanganui River and Sections 1, 2 and 3 SO 35194	Freehold fee simple
86 Mosston Road	Lot 1 DP 17534	Freehold fee simple
0 Mowhanau Drive (FH)	CT Pt 34A/359 Pt Sec 66 Blk XV Nukumar SD Pt Kai Iwi 6F2	Improvements
15 Nichol Place (FH)	Vested Lot 15 DP 50738	Freehold fee simple
0 Papaiti Road	Part Lots 1, 5, 6 and 7 DP 4984	Freehold fee simple
3 Papaiti Road	Lot 1 DP 4984	Building for removal only
180A Paterson Street	Part Lot 3 DP 72059 and Parts Lot 4 DP 31093 and Part Lot 2 DP 744.	Freehold fee simple
101 Purnell Street (CE)	CT 12D/835 Lot 22 DP 19090	Leasehold land
66 Seafront Road (FH)	CT 248/73 248/74 Lots 149 150 DP 2173	Freehold fee simple
68 Seafront Road (FH)	CT C3/491 Lot 151 DP 2173	Freehold fee simple
70 Seafront Road	CT 624/62 Lot 152 DP 2173	Freehold fee

Properties for potential divestment

(FH)		simple
72 Seafront Road (FH)	CT 230/177 Lot 153 DP 2173	Freehold fee simple
152 Somme Parade	Lot 2 DP 54662	Freehold fee simple
171 Somme Parade	Lot 2 DP 15837	Freehold fee simple.
357 Somme Parade	CT 200153 Lot 17 DP 43235	Freehold Fee simple
6 & 8 Taupo Quay (CE)	CT 331/35, Sec 75 T.O.W, CT 331/33, Pt Sec 74 & 78 T.O.W, CT 331/32, Pt Sec 74 & 75 T.O.W.	Leasehold land
14-20 Taupo Quay (CE)	CT 331/34, Pt Sec 74 T.O.W, CT 161/276, Pt Sec 73 T.O.W, CT 160/200, Pt Sec 73 T.O.W	Leasehold property
24 Taupo Quay (CE)	CT 151/46, Sec 72 T.O.W	Leasehold property
31 Taupo Quay (HE)	CT D3/66 Lot 14 DP 205 Lot 15 DP 205	Leasehold land
35 Taupo Quay (HE)	CT 8B/377 Pt Lot 16 DP 205	Leasehold land
37 Taupo Quay (HE)	CT 8B/377 Lots 1 & 2 DP 10878	Leasehold land
39 Taupo Quay (HE)	CT 8B/377 Lot 18 DP 205 Lot 3 DP 10878	Leasehold land
43 Taupo Quay (HE)	Ct 8B/377 Lot 20 DP 205	Leasehold land
45 Taupo Quay (HE)	CT E3/767 Lot 21 DP 205 Lot 22 DP 205	Leasehold land
49 Taupo Quay (HE)	CT D3/67 Lot 23 DP 205	Leasehold land
25 Tawa Street (FH)	CT 52D/407 Lot 14, 15, 16, 17 DP 2045	Freehold fee simple
39-41 Tawa Street (FH) Gonville Baths,	CT 43D/629 Lot 1 DP 77588	Freehold fee simple

Hall and Kokohuia Hall		
14-18 Windsor Tce	Lot 1 DP 23012, Lot 1 DP 23436, Part Section 1 Block V Ikitara Survey District, Lot 94-97, Part Lot 98 and Part Lot 102 – 103 DP 5465 and Part Manawakowaro 3 Putiki Maori Reserve Block, and Lot 1 DP 25220	Fee simple
86 Mosston Road	CT 39D/107 Lot 1 DP 17534	Freehold fee simple
10 Windsor Terrace	Part CT 17A/1279. Part Lot 102 and part Lot 103 DP 5465.	Freehold fee simple
12 Windsor Terrace	CT 17A/1277 Lot 1 DP 25220.	Freehold fee simple
14 Windsor Terrace	CT 17A/1276 Lot 1 DP 23012. CT 17A/1278 Lot 1 DP 32436	Freehold fee simple
18 Windsor Terrace	CT 17A/1279 Part Section 1 Block V Ikitara Survey District, Lot 94-97, Part Lot 98 DP. 5465 and Part Manawakowaro 3 Putiki Maori Reserve Block.	Freehold fee simple

These properties are being considered for divestment by Council in addition to the above properties which have been confirmed for sale but will be subject to a further special consultative procedure.

Address	Legal Description	Ownership
69 Bamber Street	CT 25B/253 Lot 1 DP 55937	City Endowment
52 Carlton Avenue	Part CT 6B/693. Parts Reserve L Town of Wanganui being also Lots 12, 13, 14, 15, 16, 17, 20 and 21 on Deeds Plan 304	City Endowment

Properties for potential divestment

88 Duncan Street	CT 20A/170 Lot 2 DP 49266	Freehold fee simple
60 Exeter Crescent	CT 13B/1370 Lot 2 DP 41648	Freehold fee simple
125 Grey Street	CT 13C/608 Lot 2 DP 32104	City Endowment
181 Guyton Street	CT 7A/799 Lot 1 DP 29985.	City Endowment
201 Guyton Street	CT 13D/576 Lot 5 DP 34062	City Endowment
301 Heads Road	CT 30A/85 Part Lot 1 DP 59790	Harbour Endowment
426 Heads Road	CT 25D/310 Lot 1 DP 56412	Harbour Endowment
437 Heads Road	CT 37D/439 Lot 1 DP 64202	Harbour Endowment
1 Indus Street	CT G311/06 Section 701A Town of Wanganui	Freehold fee simple
137a Karaka Street	CT 13C/334 Part Section 227 Right Bank Wanganui River	Harbour Endowment
9 Karoro Road	CT14D/387, 14D/386, 14D/384 Lots 2, 4 and 5 DP 42629	Freehold fee simple
15 Karoro Road	CTs 317/259, 508/217 Lots 18, 20, 22 Block VI DP 2776	Freehold fee simple
105 Manuka Street	CT 55A/172 Lot 1 DP 87460	Freehold fee simple
0 Morgan Street	CT5D/124 Section 324 Right Bank Whanganui River.	Harbour Endowment
5 Morrison Street	CT 26D/853 Lot 5 DP 56302	Harbour Endowment
1 Morrison Street / 1 Kirk Street	CT 11B 241 Lot 12 DP 23453 d. CT 11B/242 Lot 13 DP 23453. CT 31B/329 Lot 1 DP 58471. CT 32A/668 Lot 4 DP 56302	Harbour Endowment

78 Mosston Road	CT 44A/ 982, Lot 64 DP 26733. CT 21C/394 (part cancelled), Part Lot 1 DP 7675. CT 44A/861 Part Lot 1 D.P.7675	Freehold fee simple
78a Mosston Road	CT 32C/793 Part Lot 1 DP 51843.	Freehold fee simple
1 Polson Street	CT 14B/1161 Lot 9 DP 34223	Harbour Endowment
3 Polson Street	CT 14B/1160 Lot 8 DP 34223	Harbour Endowment
25 Polson Street (part Castlecliff School)	Part CT 289/131 Part Lot 64 DP 264 and Lot 65 DP 264	Harbour Endowment
10 Rogers Street	CT 16A/908 Lot 2 DP 44820	Harbour Endowment
1a Rogers Street	CT 20A/440 Lot 1 DP 50238	Harbour Endowment
70 Swiss Avenue – part Lorenzdale Park	CT 722/47 Lot 65 DP 15378	Freehold fee simple Subject to the Reserves Act 1977
219 Taupo Quay	CT 13/171 (not converted) Part Lot 1 DP 13506	Harbour Endowment
239-249 Taupo Quay	CT 18D/1202 Lot 2 DP 17933 and CT 11B/1290 Lot 1 DP34755	Harbour Endowment
20 Thatcher Street (part Castlecliff School)	Part CT 289/131 Lots 61, 62 Part CT 289/131 Lots 61, 62 and 63 DP 264	Harbour Endowment
67 Tinirau Street	CTs 338/33, 338/31 Lots 23, 26, 27 Deeds Plan 117	Freehold fee simple
4 Tod Street	CT 11D/1479 Lot 2 DP 19936	Harbour Endowment

Who benefits

Community Outcomes

1. A healthy community
2. A safe community
3. A prosperous community
4. A well connected community
5. A community where people work together
6. A community with quality education
7. A community with well developed amenities and recreational opportunities
8. A community with identity
9. An environmentally sustainable community

Who benefits	Community Outcomes (as above)	Period of benefit	Whose acts created a need	Separate funding	Funding sources	Rationale
Airport The service is primarily of benefit to the individual users. The public benefit is in relation to the provision of facilities designed to cater to the needs of the community. This activity is an integral part of the wider transport and development framework.	1. 2. 3. 4.	This activity has intergenerational equity considerations.	Acts of airport users and flight operators impact on the activity.	The Crown is a part owner of the airport with Council which makes it necessary to account for the activity separately. Council has a structure that can allocate costs to this activity.	Part Community facilities rate Majority Fees/Subsidy	The activity provides a private benefit to users. Commercial charges are made for these services. The activity also provides a public benefit to the community and this portion is to be funded using rates. There is little relationship between property values and use. More appropriate is the even allocation per rating unit of the cost of the airport.
Cemeteries The service primarily provides a private benefit for the family and friends of the deceased who may live within or outside the district. Most funeral costs are met by the estate or family of the deceased and represent a private benefit. The cost of establishing and maintaining grounds, which are in the nature of a reserve and open to the general public, provides a	1. 8. 9.	There is little capital development work required for cemeteries. Funding is from current mechanisms. There are some intergenerational equity considerations related to the provision of grounds.	The number of plots required impacts on the level of service provided.	The nature of this activity indicates that it should be accounted for separately. Council has a structure that can allocate costs to this activity.	Part Community facilities rate Majority Fees/Subsidy	The most effective, efficient and transparent method for funding the private benefit (the recovery of cost of burial services) continues to be user charges (burial fees, sales of plots, and cremation fees). However, revenue is directly related to the

Who benefits

public benefit. Records of interment have a clear relationship to the history of the community and are public information.						number of interments and, therefore, support from the public purse needs to be flexible. As the cost of maintaining cemetery grounds generates public benefit, this part of the service is to be funded from rates revenue.
Central Business District maintenance						
This service provides a mix of benefit to the total community and to the property owners in the area of the service.	1. 2. 8.	The development of the CBD provides intergenerational equity. Annual maintenance provides current benefit.	Property owners and the general public impact on the need for this activity.		Community facilities rate CBD rate	The activity provides benefits to other parts of the district at a lower level. These costs are met from the facilities rate. The property owners receiving the services receive the CBD rate.
Community buildings and rural halls						
The private benefit is to those people who rent or utilise our facilities. The public benefit is in relation to the provision of facilities designed to cater to the needs of the community and for future reserve use. The community at large benefits from a variety of buildings and halls throughout the district which form part of the social infrastructure at a local level. They are an important community asset, rural halls particularly in rural communities.	7.	Council's involvement in halls and community buildings is largely historical. From time to time major capital development work is undertaken. In this case loan funding would be considered as an option.	Tenants and Lessees have the ability to impact on the quality and standards of the facilities.		Majority Community facilities rate Part Fees/Subsidy	The services are regarded as quasi-public goods in that the market will not provide them in sufficient quantity and therefore community benefits exist.
Community development						
This service is primarily engaged in providing a public benefit for the community and district as a whole. It is recognised that in providing this service the flow on effect could generate private benefits. However, the public benefit is considered dominant. There is no relationship between the property value and the	1. 2. 3. 4. 5. 6. 7. 8. 9.	There are no inter-generational equity considerations.	Council follows a process utilising a Community Development Committee. The impact of others should therefore be minimal.	As this is a key leadership role for Council, it is appropriate that the results and associated costs are separately disclosed. Council has an appropriate structure in place to allocate costs to this activity.	Majority General rate Part Fees/Subsidy	The service relates to organisations which play a vital welfare role in the community and the most effective, efficient and transparent method for funding this public good service is rates revenue.

Who benefits

benefits received from this activity. Potentially there is an inverse relationship because of the socio-economic structure of the district.						
Cooks Gardens						
Sportsgrounds provide benefits to the community at large and to individuals. They are a major contributor to community wellbeing. However, it is difficult to identify users other than sports clubs/teams and other groups who have entered into a formal arrangement or lease with Council.	1. 2. 3. 4. 7. 8. 9.	Capital development will benefit future generations. Funding should be from current mechanisms and loan funding.	Misuse of the facilities will impact on the costs of providing these services.	The activity collectively represents a substantial cost and provides a key component of the infrastructure. There is no logical grouping into which the activity could be added. Council has an appropriate structure in place to allocate costs to this activity.	Majority Community facilities rate Part Fees/Subsidy	Marginal costs attributable to sports groups recognise the private benefit they receive. The benefit of open space available equally to the community is attributed through the facilities rate as it is not aligned to property value.
Economic development						
The service primarily provides public benefits but there are spin-offs for private benefits. All aspects of economic development are undertaken for the benefit of the community and while there is benefit to individuals, the reason for undertaking the activity is to ensure economic development occurs which benefits the whole community.	3. 4. 5. 6. 8.	The benefits are for current and future communities.	The desire for economic development in the district creates a need.	The benefit received from this activity is not always tangible. For this reason, it is important that Council keeps track of its contribution to this activity, which is distinct from other activities. Council has an appropriate structure in place to allocate costs to this activity.	Majority General rate Part Promotional levy Part Fees/Subsidy	The desire for economic development of the whole community provides the rationale for general rate funding.
Emergency management						
The operation of the Civil Defence and rural fire service involves maintaining a state of readiness so that the district is equipped to cope, should a civil emergency occur. Civil Defence is considered to have a high district and community benefit as the function is for the safety and wellbeing of all who live in the Wanganui district. This service has a high degree of public benefit in that it is associated with the protection of personal property and life.	1. 2.	This activity is about being prepared to respond in an emergency. There are no inter-generational equity impacts on this activity.	There is minimal impact from others through natural disasters, although fires may result from human intervention. Flooding and earthquakes are a major concern.	Given the high community benefit it is appropriate that the activity is separately disclosed. The nature of this activity indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	Majority General rate Part Storm damage rate Part Fees/Subsidy	All costs incurred in providing this service are deemed to be for the public good. Costs of emergencies are met by government subsidy and general rates. The cost of fighting rural fires is charged to the property owner where the fire occurs.

Who benefits

Environmental policy						
The private benefit relates to the sale of information such as the District Plan and the processing of designations and private plan changes initiated to update the District Plan. However, the major aim is to set the policy direction and regulatory framework for environmental outcomes to meet community demand.	1. 2. 5. 8. 9.	As with other regulatory functions, this activity is focused on service delivery and not capital development. The emphasis is on providing a service to the current residents and ratepayers.	This activity is principally about providing advice and facilitating land usage in a structured and logical way. There are no identified parties who affect the way in which this activity is carried out.	There is no other logical activity which has the District Plan and Resource Management Act as its basis. Council has the appropriate systems in place to separately identify the cost.	Majority General rate Part Fees/Subsidy	The provision of information on District Planning is recovered through fees. The major aspect of this activity is to meet the community aspirations for the environment and to monitor the state of the environment.
Footpaths and berms						
Users of the footpaths network clearly receive a direct benefit. The service provides both private and public benefits. The public benefits are direct and relate to the constant access and availability of the service. While there is a reasonable amount of private benefit from access and use of the footpaths that aspect of the service does not have any additional cost to the service.	1. 2. 4. 7. 8. 9.	Footpaths are a long-term asset. There are constant demands for further footpath development as well as upkeep on the existing network. It provides benefits for both current and future ratepayers.	Pedestrians	Council has appropriate systems in place to separately allocate costs to this activity.	Roading and footpaths rate	While there is a private benefit to users of footpaths, there is no practical way for that to be reflected in a charge. The marginal cost is very close to zero so the service is regarded as a public good and funded as such.
Governance						
Council recognises that governance is a pure public good. Individual residents and ratepayers cannot be excluded from receiving the benefit and there are no rival providers for this activity. The principal purpose is to represent the interests of all residents and ratepayers. Council, its committees and the office of the Mayor benefit the district in that members are elected to provide a governance service including representation, monitoring and review.	5. 8.	There are no inter-generational equity considerations for this activity.	Action or inaction by others does not impact on the need to undertake this activity. The owners of higher value properties could have a greater interest in sound governance and can individually or collectively exert strong influence, especially through the public submissions process and/or the Courts in the democratic process.	This activity is distinct from other activities because it is the basis of local government – appropriate representation in decision-making. Council has appropriate systems in place to allocate costs to this activity.	Full General rate	Representation and governance is related to protecting the interests of residents and property owners across the community.
Investments						
The community benefits from the income generation in reducing the reliance on rates as a method of funding council services. The benefits are public.	3.	The activities which generate returns are themselves intergenerational; however, the returns are	The actions or inaction of the boards of the Holding Company and Joint Committee influence the activity need and results.	Investments are allowed under the Local Government Act 2002 as an ancillary power of council to do as part of	Full Community facilities rate	The investment return is generated to reduce rates. Investments are generated from community assets and

Who benefits

		considered current and utilised in the year generated.		its business. It is appropriate to identify this activity separately.		should therefore be attributed back to those sources. The facilities rate is the appropriate funding method.
Library						
Libraries provide information services that cater for the needs of residents at large and build a collection of materials which are a community asset for the future. The promotion of literacy, life-long learning and self development are public benefits. The private benefit accrues to individuals who borrow books or materials. These are used for the personal benefit of that individual.	1. 2. 3. 4. 5. 6. 7. 8.	There is intergenerational equity in relation to libraries. While maintaining a relevant and accessible collection is key to providing a library service to future generations, Council considers that investment every year is required to achieve this. Given that books and materials have a limited lifetime, the portion being charged each year is fairly consistent.	A small allowance is made for charges levied to reflect misuse of library books and materials.	The community has, in the past, demonstrated the importance of this activity. There is no other similar activity that libraries could be grouped with. For these reasons, the library activity has been kept separate. Council has the appropriate systems in place to separately identify the cost.	Majority Community facilities rate Part Fees/Subsidy	A small portion of the cost should be recovered through rentals, fines for late return of books and associated fees and charges. The most appropriate method to recover the balance of the cost is through the facilities rate. Significant development of the Library is funded through loans.
Parks and reserves						
Parks, reserves and sportsgrounds provide benefits to the community at large and to individuals. They are a major contributor to community wellbeing. However, it is difficult to identify users other than sports clubs/teams and other groups who have entered into a formal arrangement or lease with Council. There is a private benefit for Durie Hill Elevator users, funded thorough charges. The public benefit relates to tourism.	1. 2. 3. 4. 7. 8. 9.	Capital development will benefit future generations. Funding should be from current mechanisms and loan funding.	Misuse of the facilities will impact on the costs of providing these services.	The activity collectively represents a substantial cost and provides a key component of the infrastructure. There is no logical grouping into which the activity could be added. Council has an appropriate structure in place to allocate costs to this activity.	Majority Community facilities rate Majority Storm damage rate Part Fees/Subsidy	Marginal costs attributable to sports groups recognise the private benefit they receive. The benefit of open space available equally to the community is attributed through the facilities rate as it is not aligned to property value.
Pensioner housing						
The private benefit is to those people who rent or utilise our facilities.	1. 2. 8.	A significant component of the expenditure for this activity is in relation to repairs and maintenance. This should clearly be funded from current ratepayers and users of the facilities. This	Tenants and lessees have the ability to impact on the quality and standards of the facilities.	The nature of the service and desire for no rate impact warrants the separation of this activity. Council has an appropriate structure in place to allocate costs to this activity.	Full Fees/Subsidy	Pensioner housing is regarded as a 'ring fenced' activity where the benefit of providing the service is to the tenants of the flats. It is therefore funded fully from user fees.

Who benefits

		process is managed through asset management plans.				
Property						
It was considered that private use of Council property conveyed private benefits. However, some of the properties in this group are held for the public good and their strategic importance.	3. 7.	This activity has intergenerational equity considerations.	Tenants and lessees have the ability to impact on the quality and standard of the facilities.	Council direct management of these properties necessitates separate division of this activity. The nature of this activity indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	Part Community facilities rate Majority Fees/Subsidy	Market rates provide Council with a return on its investment in property while ensuring that those that benefit most from the use of the assets pay reasonable fees. Properties in general are facilities and it is appropriate that funding carries the same form for that not covered by market rates.
Regional Museum						
Museums are a recreational resource and provide access to archival information which are private benefits. Creating Identity for the district at local and national level, maintenance and preservation of an Historic building, providing safe custody to Maori for their artifacts, preservation and safe custody of anthropological artifacts from all cultures and providing an educational and tourism resource all provide private good.	1. 2. 3. 4. 5. 6. 7. 8.	This activity has no intergenerational equity considerations. Costs are funded at the time benefits accrue therefore costs are incurred to provide current benefits.	The service has the ability to exclude and it is a rival good to some extent. It is a merit good in that all the benefits from the service are not readily apparent to an individual user. This means that any given user will not be prepared to pay for benefits they do not receive. The service was original established by a Trust.	In keeping with other services in this function it is recommended that the service should be provided from tax as a public good with the marginal cost of exhibitions and public programme being met from user fees or other revenue sources. This acknowledges that the community funds the provision of the facility while the individual user meets the costs of private benefit by paying for exhibitions. It also acknowledges that a significant portion of the cost is incurred in maintaining a collection of artifacts for the benefit of the community.	Majority Community facilities rate Part Fees/Subsidy	This service has strong aspects of both public good and private good. The facility provides for the preservation of Wanganui heritage and is a resource for entertainment and learning. It also provides for the exhibition of artifacts and is a tourist attraction. It is a facility that is highly regarded nationally with an outstanding collection of artifacts.
Regulatory services						
Animal Control Both dog owners and the public at large benefit from this activity. The public benefit is in respect of	1. 2. 9.	Whether it is dog owners, community safety, consents, or commercial operators with health and	Animal Control Council is legally required to undertake this activity under the	The regulatory nature of the relevant Acts makes it appropriate to combine the various requirements	Part General rates Majority Fees/Subsidy	The most efficient and appropriate method to recover the private benefit portion is fees

Who benefits

<p>keeping people safe in the community.</p> <p>Consents and Inspection Where services provide independent certification that adequate standards have been met in the construction of a building or operation of an activity, eg hairdressers, food premises, the benefits of the service are predominantly received from the holder of the certificate or consent. The same benefits apply for resource consents. The consent holder is granted permission to undertake an activity providing they meet certain standards. There are also a small number of services from which it is not appropriate to levy a fee such as the investigation of infectious diseases. Council has a statutory responsibility to undertake this function and could not withhold the service from anyone unable to pay. Another important part of inspection and consent work is providing information and advice to the public about the requirements of relevant legislation.</p> <p>Enforcement There is a greater element of public good in the enforcement area. At present, most enforcement work is undertaken in response to a complaint from the public about an activity. Where possible, the costs of enforcement work are recovered from the exacerbator. For example, noise control - charges on stereos recovered. There is also a monitoring fee on all resource consents to help cover the costs of inspection. Where</p>		<p>liquor licensing, this activity is focused on the current community. There are no inter-generational equity considerations for this activity.</p>	<p>Dog Control Act. The level of responsibility of dog and stock owners impacts on the cost of this activity and the level of complaints received for this activity. The vast majority of complaints are in relation to unregistered dogs or dogs which are not adequately controlled. Clearly the amount of control exercised over their dogs by dog owners affects the success of this activity. Building consents - Builders and developers must maintain high standards for the objectives of this activity to be achieved. Health - The persons to whom licences are granted can impact on this activity. The result can be infringement notices, although to date this has been rarely used.</p>	<p>of these Acts together into a separate activity. Council has appropriate systems in place to separately allocate costs to this activity.</p>		<p>and charges with the public benefit component recovered from the general rate.</p>
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Who benefits

people are not meeting the conditions of the consent, further action may be taken and costs recovered. The public benefit component relates to the overriding reason for the Building Act – the promotion of public health. The Act states that it is mandatory for Council to issue consents for building development in its area. The private benefit component of this activity relates to the issuing of building consents to individuals and organisations. In addition some income is earned from PIMS reports. A direct beneficiary is clearly identifiable in the building consents and PIMS. Health - Public benefits to the community arise from the promotion and conservation of public health by ensuring compliance with the statutory standards set for health, noise, infectious diseases, and liquor licensing and hazardous substances. Public education is also an important role. The private benefit is in relation to the owners who benefit from licences and advice about improvements to health, hygiene and safety conditions on their premises.						
Roading						
Users of the roading network clearly receive a direct benefit. Developers also receive a benefit through the implementation of structure plans which will provide greater direction and clarity about future subdivision and development of the district. Forming part of the national system of transportation, private and national benefits are funded from transport subsidy and petrol	1. 2. 3. 4. 7. 9.	Roading is very much a long-term asset. There are constant demands for further roading development as well as upkeep on the existing network. It provides benefits for both current and future ratepayers.	Heavy trucks and high volume users impact on the quality of our roading network. Planning endeavours to factor all these considerations into the development of a roading programme through asset management.	Roading is the largest Council area in terms of spending and asset value. Council has appropriate systems in place to separately allocate costs to this activity.	Part Roads and footpaths rate Part Storm damage rate Majority Subsidy Part Petrol tax	The private benefit is funded through subsidies by New Zealand Transport Agency. The public benefit is funded through the general rate. Renewal expenditure (replacing existing assets) is funded through general rate/ subsidies. Capital expenditure which represents new

Who benefits

tax. Council receives an amount that is loosely intended to reflect usage of district roads. Service lanes provide higher level of service to commercial properties. The public benefit relates to that portion of the network serving the general public and more than one property owner.						capital development works should be funded by general rate, subsidies, Development contributions where growth is identified and loans.
Royal Wanganui Opera House						
The facility is of historic significance to the district.	7. 8.	This activity provides benefits for both the current and future communities.	The operators of the opera House create a need.	Council has appropriate systems in place to allocate costs to this activity	Full Community facilities rate Part Fees/Subsidy	Rate as a facility with the public programme being met from user fees at market level. This acknowledges that the community funds the provision of the facility while the individual user meets the costs of private benefit by paying for performances.
Sarjeant Gallery						
It is not possible for the art gallery to generate sufficient revenue to fund its ongoing operations. The facility is regarded as a prestige gallery and the top provincial gallery in NZ. In keeping with other services in this function, it is recommended that the service should be provided from rates as a public good with the marginal cost of exhibitions and public programmes being met from user fees or other revenue sources.	3. 6. 7. 8.	There is clearly an intergenerational equity issue in relation to the gallery. While maintaining a relevant and accessible collection is key to providing this service to future generations, investment every year is required to achieve this.	The service was originally established by bequest.	Council has established a structure which caters for the easy allocation of costs to this activity.	Full Community facilities rate Part Fees/Subsidy	This service has strong aspects of both public good and private good. This acknowledges that the community funds the provision of the facility through a facilities rate while the individual user meets the costs of private benefit by paying for exhibitions. It also acknowledges that a significant portion of the cost is incurred in maintaining a collection of art work for the benefit of the community.
Sea port						
The activity provides economic benefits and recreational benefits. The port is operated through a lessee arrangement. Infrastructure provides a public benefit to the community.	2. 3. 7.	Recreational users have short term benefits, Intergenerational benefits relate to capital development of the port.	Recreational users create the need as does the lessee of the port. The revenue from harbour endowment properties is forwarded to the port lessee to fund	Council has the appropriate systems in place to separately identify the cost.	Part Community facilities rate Majority Fees/Subsidy	The commercial users of the port are charged market fees. The historical nature of the harbour properties determines that the funding and returns from

Who benefits

			the port activities. Changes in funding may impact on the level of activity, maintenance and development.			these is market. The port is considered an integral part of Wanganui infrastructure.
Stormwater						
Stormwater protects private property from flooding and erosion. There is clearly a public component in relation to the run off of water onto roads and to ensure access to properties during periods of high flooding.	1. 2.	Demand continues to grow as more properties are developed in the district. New areas of development create the need to resolve stormwater and natural drainage areas. Development contributions are used to help fund development of this infrastructure. This work clearly has an intergenerational equity component and for this reason using loans apportions some of this cost to future ratepayers.	Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.	The separation project has enabled the Council to separate this activity. It is appropriate to retain this as a separate activity. Council has established a structure which caters for the easy allocation of costs to this activity.	Part Stormwater disposal rate Part Storm damage rate Part Fees/Subsidy	Council considered that this service is primarily a private benefit which should be recovered through a targeted rate and through fees and charges. The public health and flooding considerations should be recovered through the general rate as the community at large benefits from having a stormwater collection and disposal system. The public and private benefit covers the operating costs of the scheme. Renewal expenditure is funded through rates and loans. Capital expenditure resulting from growth is funded from development contributions otherwise it is funded through Loans, and Targeted Rates.
Swimming pools						
The pools are considered a valued part of community infrastructure. The benefits provided are multiple. The most direct beneficiaries are pool users. They include individuals, adults and children, clubs and schools. These groups are identifiable and therefore excludable. Community benefit is based on option values in that residents have an additional	1. 2. 7.	The Splash Centre pool complex is primarily for current and future users of the facility.	Swimmers and swimming clubs impact on the cost of this activity. The operation is contracted out and the service provider has ability to impact on the operation and future maintenance.	There is sufficient interest to separate out this activity. It is considered necessary to keep these facilities separate from other facilities to clearly demonstrate the benefits and costs to the community. There is no alternative grouping into which this activity could	Majority Community facilities rate Part Fees/Subsidy	Any increase in fee revenue could have an adverse effect on pool usage and, in particular, to people in the lower socio-economic areas of the community. The service provider retains the revenue generated, leaving the Council to absorb the net cost of the facility. The use of the

Who benefits

leisure activity choice. First class leisure facilities enhance the reputation of the district (district image) and assist in promoting the Wanganui district as a family-friendly place.				be added. There is an appropriate structure in place for the allocation of costs to this activity.		facility is more aligned to the user than to public good. Admission fees are the most appropriate, efficient, effective and transparent method of funding the private benefit, and are retained by the operator. The remainder is funded through the facilities rate recognising the equal availability of the facility.
War Memorial Hall						
The War Memorial Hall represents a portion of Council's contribution to the cultural and leisure infrastructure of the district. The most direct beneficiaries are the regular users and those who attend or will attend events held in the hall. The community benefits from having multiple cultural/leisure opportunities to enjoy. The district's reputation is enhanced by the provision of a broad spectrum of cultural/leisure/business choices. The venue is to provide conference facilities for the district.	7. 8.	The hall will benefit the community and users, currently and in the future. Council proposes to fund significant development through loans.	Misuse by users can impact on the quality of this facility. The operation and maintenance can impact on the cost of the activity.	It is necessary to keep this facility separate from other activities to clearly identify the cost to the community. Council has established a structure which caters for easy allocation of costs to this activity.	Part Community facilities rate Majority Fees/Subsidy	Private hire is a private benefit which is paid for by the hirer at a reasonable market rate. Revenue from private hire does not cover the full benefits to the community. The facility is regarded as part of the fabric of the community and therefore it is necessary to maintain the availability of this facility. Council considered its allocation of district and community benefit in relation to other community cultural/leisure opportunities funded from rates revenue.
Waste minimisation						
Council does not directly provide a refuse collection and recycling service. The beneficiaries of this activity are all residents of the district and the community at large. Reduced wastage of materials and resources through solid waste education and waste reduction and recycling programmes benefits the environment and society in	1. 2. 9.	Mostly the benefits are to current ratepayers. There are some intergenerational issues arising in relation to our ongoing responsibilities to monitor environmental effects from closed landfills.	Clearly all users of the solid waste management services have the ability to impact on public health of the community and the environment. Council therefore has to monitor these impacts accordingly.	Council has the appropriate systems in place to separately identify the cost of the activity.	Majority General rate Part Fees/Subsidy	These services fulfil some of Council's responsibilities under the Health Act 1956 to promote health in communities. If the service was not provided, some people might not dispose of their refuse in a sanitary manner thus causing health hazards

Who benefits

general. Refuse collections and recycling directly benefit those residents who live within the collection area and pay for the services via contractors' fees. Indirect benefit is obtained by the community due to a cleaner environment.						and impacting on community safety. Kerbside refuse collection fees are retained by contractors which are the result from private benefit. The remaining benefit is therefore the public good, which it is appropriate to fund via general rates.
Wastewater						
Direct users of the wastewater supply clearly receive a private benefit. There is also a high public benefit in relation to the promotion of public health. All residents benefit from having a public sewerage collection, treatment and disposal system available. Industrial users benefit from disposal of trade waste. The separation of the sewage and stormwater enables separate funding.	1. 2. 7. 9.	Capital work is required on an ongoing basis for wastewater. This will enable more connections to the scheme as additional residents wish to join and also facilitate improved treatment and disposal. This work clearly has an intergenerational equity component.	The users of the wastewater scheme clearly impact on the provision of the service. If there was a dramatic shift in usage then the range and capacity of the scheme might need to be reassessed or the development programme altered. Some industrial and commercial users discharge into the Council system. It is necessary for Council to identify the excess discharge.	There has been considerable interest from the community in the development of the wastewater scheme, city inceptor, as a means to protect the river quality. For this reason and a clear push from Government concerning the importance of wastewater systems, Council therefore considered that it was appropriate to treat this as a separate activity. Council has established a structure which caters for the easy allocation of costs to this activity.	Majority Wastewater rate Part Tradewaste charges	Council considered that this service is primarily a private benefit which should be recovered through a targeted rate and through fees and charges (trade waste and recoveries). The public health and cultural considerations, while benefiting the community at large mostly benefit those who connect to the system. The public and private benefit covers the operating costs of the scheme. Renewal expenditure is funded through loans and targeted rates. Capital expenditure is funded through loans, development contributions and targeted rates.
Water supply						
Direct users of the water supply clearly receive a benefit. There is also a high public benefit in relation to the promotion of public health. The Act now clearly notes that councils have limited scope to disconnect supply because of the public health considerations.	1. 2.	Major capital work is required on the supply to locate suitable soft water supplies for the future. The planned improvements will enable more connections to the scheme as additional	The users of the water schemes impact on the provision of the service. If there was a dramatic shift in usage then the range and capacity of the scheme might need to be reassessed or the	The Act places a great emphasis on the role of water supplies. Council needs to demonstrate to the community that water supply will continue to be a key Council service. This is the clear direction	Majority Targeted rate Part Metered consumption charges	Council considered that this service is primarily a private benefit that should be recovered through a targeted rate and through fees and charges (water by meter consumption). The public

Who benefits

Another aspect of public good is in the fire fighting capacity that is built into the system. This is available to all properties in the serviced area of the city system It is a benefit that has a reasonable cost and is non excludable.		residents wish to join. This work clearly has an intergenerational equity component.	development programme altered.	from Government and the community. It is therefore appropriate separate this activity. Council has established a structure which caters for the easy allocation of costs to this activity.		health and cultural considerations should be recovered through the general rate as the community at large benefits from having a water supply system, although the major benefit is to current users. The fire fighting capacity is available to a property whether or not it is connected to the water systems, a targeted rate is appropriate.
Waterways and natural drainage						
Open watercourses provide for floodplain management and protection. In the urban area residents directly benefit from the distribution of stormwater away from impervious layers. It is appropriate that people in these areas directly contribute.	1. 2. 9.	Demand continues to grow as more properties are developed in the district. New areas of development create the need to resolve stormwater and natural drainage areas. Clearly has an intergenerational equity component. and for this reason using loans apportions some of this cost to future ratepayers.	Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.	Council has established a structure which caters for the easy allocation of costs to this activity.	Full General rate	The public health and flooding considerations should be recovered through the general rate as the community at large benefits from having waterways and natural drainage system in place.

Detailed index (both volumes)

	Volume	Page
Introduction	1	
Message from the Mayor	1	4
Message from the Chief Executive	1	6
Audit Office Report	1	7
Executive summary	1	10
• Introduction	1	10
• What is the 10 Year Plan?	1	10
• The planning cycle	1	10
• What's in the plan?	1	11
• Community trends and issues	1	11
• Referendum '09 results	1	12
• Key decisions	1	13
• Rates	1	13
• Promotion and image	1	13
• Transfer of ownership	1	14
• Future services	1	15
• Referendum '08 Events Centre of New Zealand	1	15
• Policy direction	1	15
• Other issues	1	16
• Financial strategy	1	16
• The Council's set of books for the next 10 years	1	18
• Prospective cost of service statement	1	19
• Council activities and tradeoffs	1	20
• Excluded/deferred projects	1	21
• Conclusion	1	24
Community Outcomes	1	
Community Outcomes	1	25
Wanganui today – statistical information	1	42
Wanganui's future – Family-friendly Wanganui	1	47

Detailed index (both volumes)

	Volume	Page
General information	1	
Council Controlled Organisations	1	49
Governance structure	1	53
Management structure	1	54
Contribution to decision-making by Maori	1	55
Water and Sanitary Assessment	1	56
Waste Management Plan summary	1	65
Fees and Charges	1	67
Prospective financial information	1	
Assumptions	1	73
Prospective cost of service statement	1	74
Rates, expenditure and debt summary graphs	1	83
Capital expenditure – acquisitions	1	84
Capital expenditure – replacements	1	89
Funding impact statement	1	96
Funding impact statement – rates information	1	98
Prospective statement of comprehensive income	1	107
Prospective statement of financial position	1	108
Prospective statement of cash flows	1	109
Prospective statement of changes in equity	1	110
Schedule of financial statistics	1	111
Policies	1	114
Statement of accounting policies	1	115
Public private partnerships policy	1	124
Policy for remission of rates on Maori freehold land	1	126
Policy on remission of rates	1	128
Policy for postponement of rates on Maori freehold land	1	132
Policy for postponement of rates	1	133

Detailed index (both volumes)

	Volume	Page
Revenue and financing policy	1	135
Policy on determining significance	1	139
Investment policy	1	143
Liability management policy	1	149
Development contributions policy	1	153
Earthquake-prone buildings policy	1	168
Dangerous and insanitary buildings policy	1	172
 Contact us	 1	 176
Properties for potential divestment	1	177
Who benefits	1	180
Detailed index	1	193
Glossary	1	195
 Activities	 2	
 Property and Facilities	 2	 6
Cemeteries	2	12
Central Business District maintenance	2	19
Community buildings and rural halls	2	26
Parks and reserves	2	33
Pensioner housing	2	44
Property	2	50
Swimming pools	2	59
 Community and Culture	 2	 69
Community development	2	74
Library	2	83
Regional Museum	2	93
Royal Wanganui Opera House	2	95
Sarjeant Gallery	2	101
War Memorial Hall	2	111

Detailed index (both volumes)

	Volume	Page
 Strategy and Development	 2	 117
Economic development	2	121
Strategy and Policy	2	129
 Infrastructure	 2	 136
<u>Transport</u>	2	137
Roading and land transport programme	2	141
Footpaths and berms	2	150
Airport	2	157
Sea port	2	164
Central Business District parking		169
<u>Water</u>	2	175
Water supply	2	180
Stormwater	2	188
Wastewater	2	194
Waterways and natural drainage	2	201
<u>Waste</u>	2	
Waste minimisation	2	207
 Corporate and Governance	 2	 215
Corporate management	2	218
Governance	2	227
Investments	2	233
 Customer Services	 2	 240
Regulatory services	2	243
Emergency management	2	252

Glossary

Annual Plan	The Annual Plan sets out what the Council intends to achieve over the next year, the budget for that specific year, how it will measure its performance and who will pay. No Annual Plan is produced in a year when a 10-Year Plan is published.	Infrastructure	Includes roads, water pipes, drainage pipes, footpaths, pump stations, bridges etc.
		10-Year Plan	A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the Community Outcomes.
Capital expenditure (Capital acquisitions)	Funding necessary for new works that add to the Council's existing assets.	Operational expenditure	All funding for providing services on a day-to-day basis, excluding renewal and capital expenditure.
Community Outcomes	The community's priorities for the future of the district, identified through a community consultation process.	Performance measures	How the Council will assess progress toward achieving outcomes and service levels.
Community Outcomes Plan	The plan that documents the Community Outcomes process that has been undertaken	Projection	Prospective financial information prepared on the basis of one or more hypothetical but realistic assumptions that reflect possible courses of action.
Exclusions	These items have not been included in the budget for 2009/10 and there is no allowance for them in the 10-year programme for 2009-2019.	Renewal expenditure (Capital replacements)	Funding for works that replace the existing assets over their projected lifetime.
Forecast	Prospective financial information prepared on the basis of assumptions as to future events that the Council reasonably expects to occur.		
Groups of activities	The Council's activities are allocated to six groups – Property and Facilities, Community and Culture, Strategy and Development, Infrastructure, Corporate and Governance, Customer services – based on their relationship and the rationale for providing them.		