

Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan

This audit report relates to the Long-Term Plan of Wanganui District Council for the ten years commencing 1 July 2012 included on the Council's website. Wanganui District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Wanganui District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 28 July 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Wanganui District Council 10 Year Plan 2012-2022



Volume 1

wanganui.govt.nz



Wanganui District Council

10-Year Plan 2012-2022

Volume

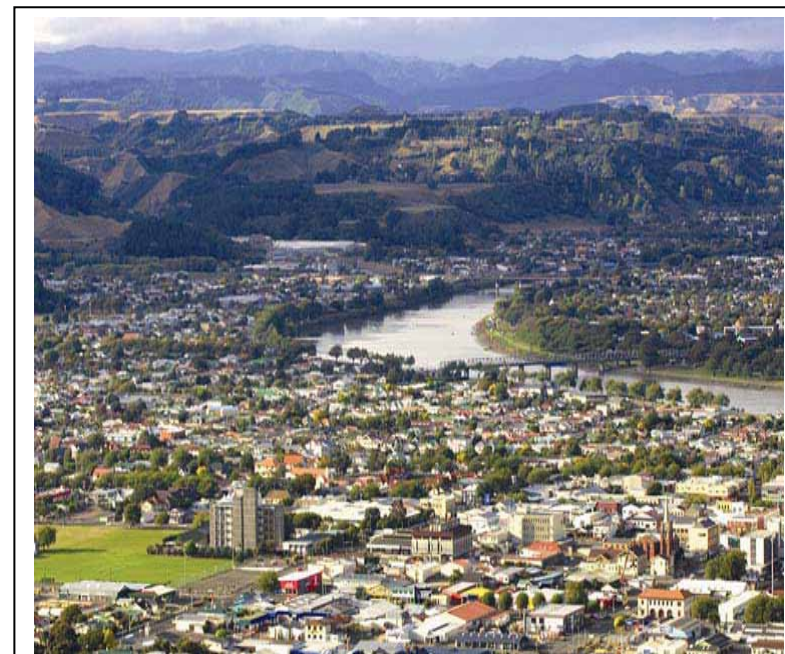
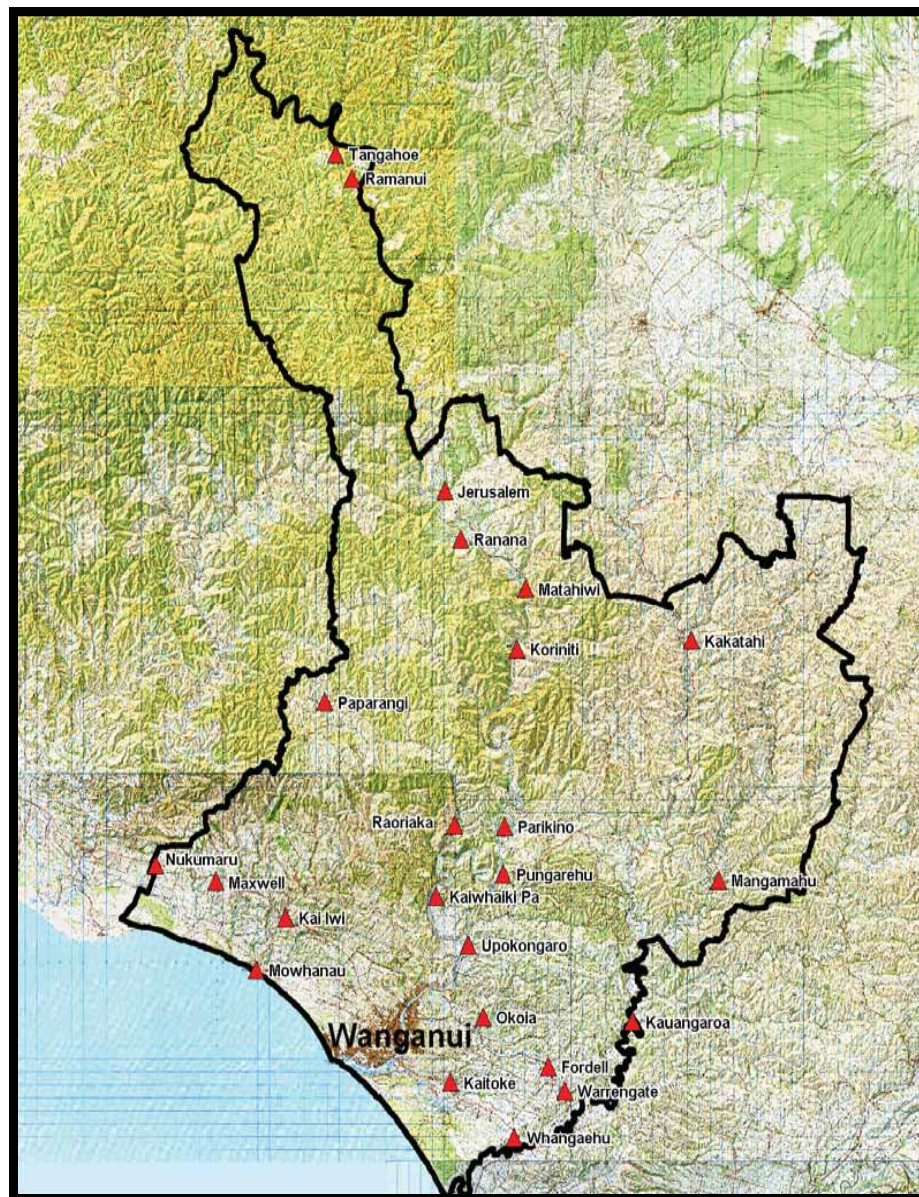
1

**Overview including Community Outcomes – The next 10 years
Detailed financial information and Council policies**

2

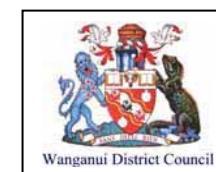
Detailed Council activities

Volume 1 of 2



Wanganui District Council

PO Box 637
101 Guyton Street
Wanganui



Telephone: (06) 349 0001
Email: wdc@wanganui.govt.nz

Fax: (06) 349 0000
Web: www.wanganui.govt.nz

This plan (comprising two separate volumes as listed on the cover) was formally adopted by the Wanganui District Council on 28 June 2012 as its 10-Year Plan for the 10-year period commencing on 1 July 2012.

Contents

Volume 1

	Page
Introduction	
Message from the Mayor	4
Message from the Chief Executive	6
Auditor's Report	7
Executive Summary	10
Wanganui today – statistical information	34
Wanganui's future – Family-friendly Wanganui	37
 General information	
Council controlled organisations	47
Governance structure	49
Management structure	50
Contributions to decision-making processes by Maori	51
Fees and charges	52
 Prospective financial information	
Assumptions	61
Capital expenditure – acquisitions	71
Capital expenditure – replacements	76
Funding impact statement	89
Prospective statement of comprehensive income	97
Prospective statement of financial position	98
Prospective statement of cash flows	99
Prospective statement of changes in equity	100
Prospective statement of reserve funds	101
 Policies	
Revenue and financing policy	103
Liability management policy	135
Investment policy	145
Development contributions policy	152
Policy on determining significance	169
Statement of accounting policies	173

Contents

Volume 1

	Page
Properties for potential divestment	183
Contact us	185
Glossary	187
Detailed index	188

Message from the Mayor

The development of this 10-Year Plan has been a very challenging process for your Council as we look hard at the future sustainability of our district.

We needed to ensure we are rating at a level which enables us to responsibly look after what we already have, but faced with new challenges such as earthquake strengthening, we need to show considerable restraint around spending on any new projects.

Council has had to make some hard decisions, with some budgets being reduced and projects we would like to have done being excluded. Some of these decisions will make it more difficult to achieve our vision of our district being the preferred choice for people to live, work and play.

The major issue which faces us as a community is our level of debt and the plan does focus on ways to address this during the coming 10 years.

Our relatively high debt is largely a result of the \$120M wastewater project, as well as the cost of existing and new Council assets.

Over the last 30 years, Council has spent more than \$100M on big infrastructure projects and has needed to borrow the money to pay for them. The wastewater project is nearly complete and our debt is projected to peak at \$118M in 2015/16.

From the feedback we have received, our community believes it cannot afford to sustain such a high debt. For that reason, we are implementing a debt retirement policy. This will mean we can pay off the loans taken out in the past. As we pay off those loans, we will save on interest costs. In the 2012/13 year, we have allocated \$641,700 by way of a separate rate to repay loans. This will be allocated against stormwater and roading debt.

The second key issue ahead of us is the necessary implementation of our Earthquake-prone Buildings Policy. We have a large number of older buildings, both publicly and privately owned, that will need to be earthquake strengthened. Details of any changes to the seismic code following the Canterbury earthquakes are being awaited. However,

whatever the standard, as a building owner the Council potentially faces a large cost to strengthen its own buildings. Therefore, we are introducing an earthquake strengthening rate which will provide \$20M over the next 10 years to enable the necessary work on our public buildings. We will plan and prioritise the strengthening work as we receive detailed assessments and other information.

The Sarjeant Gallery development project is a key issue in our plan. For this project however, in recognition of the importance of the Gallery as a national institution, we are seeking external funding from government funds, trusts and private donors. This project will ensure the improvements to the existing Sarjeant Gallery, needed to provide better public and education facilities, improved storage for our nationally important collection of art works, appropriate environmental controls and earthquake strengthening. It is our responsibility to ensure that the legacies of the Sarjeant Gallery building and the collection are protected for future generations.

With our focus on paying off debt, as well as the effects of the global financial crisis and our community's ability to pay, we need to live within our means. We must look after the facilities, assets and services we already have. This is the time to 'steady the ship' and make sure we provide the essential services our community needs.

Through the public consultation process, we sought the community's views on a number of issues. Those issues, and the Council's decisions, included the earthquake strengthening rate, debt retirement rate and Sarjeant Gallery protection which I have already mentioned. The other issues were:

Heads Road roundabout

This project will remain in the 10-Year Plan. The Council asked the community whether it thought it should be a priority, given the current financial constraints. The budget includes \$364,000 (loan funded). The total cost of the project is \$1.3M and it may attract a New Zealand Transport Agency subsidy of 72%.

Message from the Mayor

Wanganui Glass School

The Council will provide funding (\$95,000) for the Glass School for 2012/13. A decision about ongoing involvement in the Glass School will be made in late 2012.

Riverfront enhancement

The plan includes \$690,000 for riverfront enhancement from 2013/14 to 2015/16. This is part of the Riverfront Development Plan.

Supporting digital capacity

The draft plan excluded funding for a Digital Wanganui Co-ordinator and initiatives to capitalise on the roll-out of ultra fast broadband. However, the Council decided to allocate funding for three years through savings and reallocation of existing budgets.

On behalf of the Council, I thank everyone who contributed to this 10-Year Plan process. We received 245 submissions on a variety of subjects. The submitters provided the Council with some thought-provoking, and sometimes challenging, views. Some submissions have resulted in decisions that have been included in the 10-Year Plan, while others need further investigation and will be followed up through the Council's committee process during the coming months.

It is my view that Council and our community are partners in our future. Only by working together will we achieve the kind of future for our district that ensures we prosper and grow.

A handwritten signature in black ink, appearing to read 'Annette Main', is positioned above the printed name and title.

Annette Main
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.

The development of the 10-Year Plan 2012-2022 required elected members and management to make some major decisions for the future. This particular 10-Year Plan process has been a particularly challenging one as our community faces economic challenges which need to be balanced against Council's debt and the need to provide quality services that our community requires.

From a management perspective, we took a hard look at our activity areas to make savings before presenting draft budgets to the Council. We worked with the elected members, through a series of workshops, to determine what would be included in the plan and what would have to be left out due to financial constraints. This process assisted in identifying key issues and priorities for the future.

'Better Local Government' (the local government reforms introduced in 2012) will require councils to improve their efficiency in delivering services and to have a prudent approach to debt.

The decisions by previous councils to undertake wastewater separation and improve our water supply mean that Wanganui's infrastructure is ahead of that of many other councils. However, as a result, we face the

challenge of repaying the debt on those projects, while dealing with other major issues such as earthquake strengthening.

Our Council's introduction of a debt retirement policy in this 10-Year Plan will go some way to meeting the requirements of Better Local Government. The initial focus will be on repaying debt for major infrastructure projects, such as the wastewater system and roading.

At some stage, local government reform will also focus on the structure of local government within New Zealand. The Auckland restructure has forced other local and regional authorities to consider what is the most effective way to deliver services to their communities. We need to work closely with our neighbouring authorities, and those that share similar characteristics and aspirations, to ensure joint opportunities are maximised whilst maintaining our own identity.

Wanganui remains a district with real heart, diversity and heritage collections second to none in provincial New Zealand. Balancing the continuing development of new activities like the ultra fast broadband initiative with protecting our heritage continues to be a challenge.

As an employer and building owner, there are some key decisions ahead in relation to earthquake-prone buildings. We will need to decide on how the staff and other people in those buildings, and the services provided from them, will be dealt with in the interim and in the medium to long term. In the meantime, we are providing training and advice for people working in those buildings.

The 10-Year Plan process is an opportunity for the community to have their say on Council's future direction and through this year's process the community has provided us with guidance on a number of key issues. I thank all those who took the time to share their views with us.



Kevin Ross
Chief Executive

Auditor's report



Independent Auditor's Report

**To the readers of
Wanganui District Council
Long-Term Plan
for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Wanganui 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 Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating volumes one and two dated 28 June 2012 for the ten years commencing 1 July 2012.

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 LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP incorporating volumes one and two dated 28 June 2012 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; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

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 28 June 2012. This is the date at which our opinion is expressed.

Auditor's report

The basis of the opinion is explained below. In addition, we outline the responsibilities of the 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 (New Zealand) 3000 : Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP 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;

Auditor's report

- 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 LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP 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

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

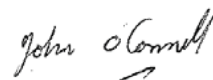
We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

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

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council or any of its subsidiaries.



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 2012-2022 (10-Year Plan).

During development of the 10-Year Plan Council and the community had to make some critical choices – trade-offs between competing policies, projects and services. The Plan is what Council intends to do but, as circumstances may change, it is not a guarantee that individual projects will be completed.

What is the 10-Year Plan?

This 10-Year Plan:

- Describes the Council's vision for Wanganui over the next 10 years
- 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 work Council does will cost, and how it will be funded.

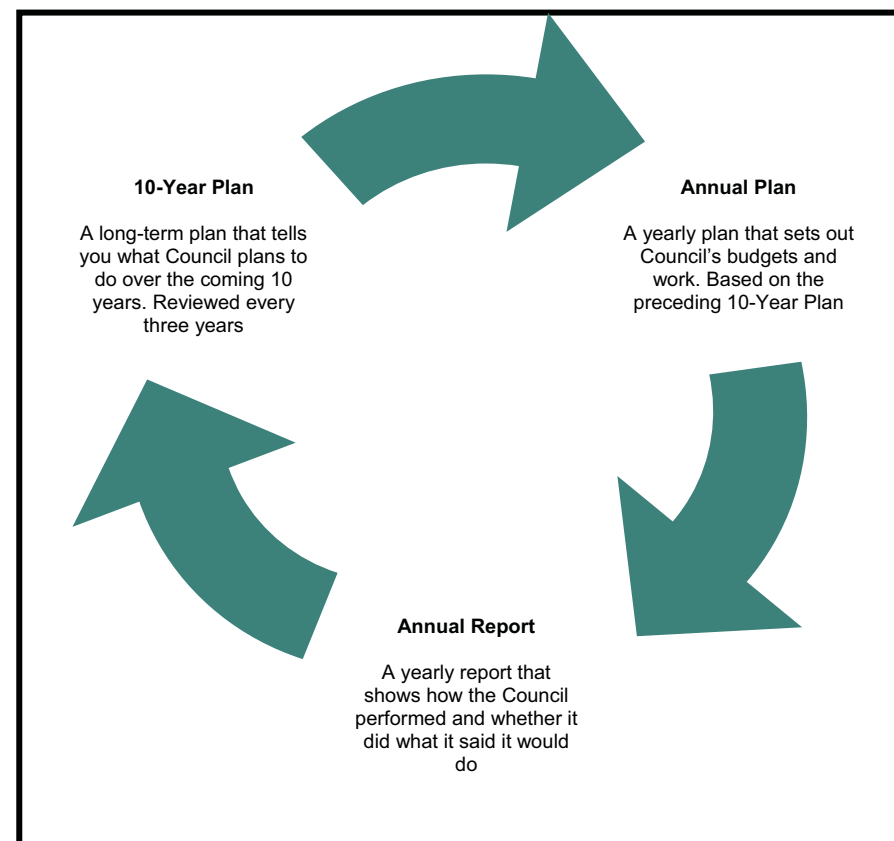
The planning cycle

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. Council reports on its progress against its plans in the 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.

This diagram shows the different steps of the planning cycle

What's in the Plan?

The 10-Year Plan consists of two volumes.



Volume 1 contains an overview of the current situation and presents the major issues facing Wanganui over the next 10 years. It includes a funding impact statement which shows the impact on rates for 2012/13 to 2021/22 and includes the financial strategy, statements and policies.

Executive summary

Volume 2 presents all the detailed information for each of Council's groups of activities. This volume includes key issues, assumptions and risks for each activity, along with details of asset information, performance measurement, operational and capital expenditure and funding implications.

Where we've come from

During the past 10 years, Wanganui District Council has had the lowest overall average rate increase in New Zealand at just 4%. The Council was committed to holding rates at a level that the community could afford to pay, while at the same time undertaking some major projects to enhance the quality of life of our residents and the image of our district. We developed a Family-friendly Strategy which was the overarching driver for our projects and activities.

We have done some major infrastructure work in the last 30 years, such as building the wastewater system and, more recently, improving our water supply. Some other councils, which have yet to do some of this work, are now receiving financial assistance from the government for similar projects. However, our community had to fund this work itself so the Council borrowed money to pay for it. This means that, considering Wanganui's size and wealth, our debt is relatively high (although not as high as many other councils' debt) but this is balanced by the reasonable condition of our infrastructure. Most of our debt balance is due to these big projects, particularly the major wastewater separation project, as well as the non-performance of Council investments in the past. However, the wastewater project is nearing completion and Council's debt level is expected to peak in 2015/16 at \$119M (debt will continue to increase during the three years to 2015/16 because of the costs of strengthening work on some of Council's earthquake-prone buildings).

Projects to enhance Wanganui's image and provide better facilities for residents and visitors included:

- Splash Centre redevelopment
- New Visitor Information Centre and Quay Gallery

- Riverfront boardwalk
- Somme Parade shared pathway
- Southern entranceway
- Gonville Café Library
- Ultra fast broadband initiative
- No. 12 Tram relaunch
- Riverfront Development Plan
- Sculpture Wanganui event
- Establishment of Computer Clubhouse
- Safe Community accreditation
- Wanganui Airport revamp
- Virginia Lake upgrade
- Establishment of anti-graffiti and anti-litter teams

Where we're going

A new financial strategy

The Council has developed a new financial strategy which, during the 10 years from 2012-2022, will:

- Focus on debt levels and debt repayments through implementation of a debt retirement programme
- Balance the level of rates increases with the community's ability to pay
- Use the principles of intergenerational equity to spread the benefit of the cost of a service and use of debt to fund significant capital projects
- Use any distributions of income from investments or sale of assets to repay debt.

More information on the financial strategy is on page 17.

Family-friendly Strategy

The Council's vision for Wanganui over the next 10 years is a continued focus on being a family-friendly district. The Council reviewed its Wanganui Family-friendly Strategy at the end of 2011, after taking part in a

Executive summary

community workshop led by the Whanganui Community Foundation. After the community exercise, the Council further considered the important issues for Wanganui and the Council over the next 10 years and refined its Wanganui Family-friendly Strategy to ensure key issues are addressed.

The five themes of the revised Wanganui Family-friendly Strategy are:

- Economic prosperity
- Community partnerships
- A safe and healthy community
- An active and culturally rich community
- Environmental sustainability

Key issues, consequences, consultation

In developing this Plan, the Council identified a number of key issues facing our community in the next 10 years. Some of these issues will have significant consequences for the Council and community, impacting either financially or by changing the fabric of our district. As part of the consultation on this 10-Year Plan, we invited the community's views on these key issues. We received 245 submissions on these and other topics, with more than 60 submitters presenting their views in person at the hearings.

Debt retirement rate

In order for Council to be sustainable in the long term, debt must be held at a prudent and manageable level. Council is aware that much of the debt balance is from the necessary infrastructure works over the last 30 years. The district is therefore in good shape for the future with reasonable infrastructure in place. Council has resolved to set a 'Debt retirement rate'. This rate is targeted to the infrastructure activity in which the Council has resolved to retire debt for the year. It is differentiated in the same way as the original infrastructure rate applied to do the capital works. It will be based on capital value where properties are currently rated for stormwater and a fixed fee (on a per separately used and inhabited portion of a rating unit (SUIP) basis) for those properties that do not pay a stormwater rate. An average value residential property will pay \$34. For properties not

currently rated for stormwater, the rate will be set against roading debt. Year 1 of this Plan commits \$641,700 to repay loans.

Earthquake-prone buildings and Council's response

The Canterbury earthquakes have raised awareness of New Zealand's vulnerability to natural disasters. Wanganui has a number of buildings which are classified as 'earthquake-prone' and Council is required to develop an Earthquake Policy that sets out strengthening requirements for building owners. As a building owner, the Council is potentially looking at a substantial cost to get its own buildings up to standard. In light of this, Council has developed an 'Earthquake strengthening rate'. While Council will not know how much this will cost until more detailed plans and solutions are found, this Plan raises \$20 million over 10 years to address the Council's earthquake-prone buildings.

The Council is currently working through seismic and risk information on many of the buildings it owns where services to the community are provided. After the Initial Evaluation Procedures (IEPs) for potentially earthquake-prone buildings highlighted some major concerns, priority was given to the buildings with the lowest preliminary scores and which had high occupancy and/or valuable stores. Detailed assessments of these buildings were obtained from civil engineering firms and the \$20 million is based on current knowledge on potential solutions for some of the buildings.

The earthquake strength and risk assessment may require Council to change how it provides services, or suspend the delivery of some services, in the near future. The Council will work through these issues, including interim measures and potential medium to long-term options, during 2012. The Council is also awaiting the outcome of the inquiries into the Christchurch earthquakes which may result in changes to the earthquake strengthening requirements of the Building Act 2004. It is not known what role, if any, central government would play in helping to meet any new standards.

Executive summary

The Council decided that the planned extension of the Davis Library (\$2M in 2015/16 and 2016/17) should be included within the earthquake-prone building fund prioritisation.

In response to submissions, Council increased the level of funding available to owners of heritage buildings to assist with initial assessments of potentially earthquake-prone buildings.

Sarjeant Gallery development project

Wanganui's Sarjeant Gallery, and its collection of art works, are nationally significant. The Council is applying for government and philanthropic funding to enhance the existing gallery by providing better public and education facilities, appropriate storage and environmental controls, and earthquake strengthening work. This iconic Wanganui building has been assessed as earthquake prone at 5% of new building standard. There may be an opportunity to incorporate the solution for earthquake strengthening into the development project but the Council will make no decisions until the result of its funding application to the Ministry of Culture and Heritage is known and further uncertainties regarding central government requirements to earthquake strengthen buildings are understood. The cost of the development project is estimated at \$32M and the project timeline will require a phased approach over a number of years.

An application for up to \$10M was lodged in May 2012 with the Ministry of Culture and Heritage's Regional Museums Fund. A decision on the application is expected in September/October 2012. A revenue generation strategy for the project has been developed to raise external funds from a range of sources. The revenue generation strategy takes a long-term view. A considerable amount of time and effort is needed to build relationships with potential donors before approaching them for funding. Until we know whether government funding is available, private philanthropists are unlikely to make pledges. If sufficient external funding cannot be raised, the project will not proceed. However, the Council will still need to consider the earthquake strengthening work for the existing Sarjeant Gallery

building. The Council is currently working through possible options for all of its earthquake-prone buildings and no decisions have yet been made about priorities or solutions.

The full cost of the development is not included due to Council awaiting a decision from the Ministry of Culture and Heritage.

The Council's proposed contribution for the Sarjeant Gallery development includes:

- \$1.7M for a business continuity facility (to enable the Council organisation to operate in the event of a major disaster affecting other sites)
- \$200,000 for professional fees for the development of the preliminary design
- \$4.479M of staff time until the project's completion
- \$97,000 for relocation costs
- \$500,000 for environmental control allocated in the Council's 2011/12 Annual Plan

The Council, in this early stage of the project, has committed \$500,000 from the 2011/12 Annual Plan (an amount which had previously been allocated for the environmental control work).

Heads Road roundabout

In 2011, following concerns raised by local businesses, the Council decided to include construction of a roundabout at the Heads Road/Beach Road/Prince Street intersection in the 10-Year Plan for 2012/13. This Plan includes \$364,000 which is loan funded. The total cost is estimated to be \$1.3 million and the project may attract a New Zealand Transport Agency subsidy of 72%.

Given the current financial situation, the Council asked the community whether this project should remain a priority in the 10-Year Plan. We received submissions both for and against but on balance the Council

Executive summary

considered that the roundabout is a safety priority and should remain in the budget.

Wanganui Glass School

The Glass School is currently established on the former Whanganui UCOL site and work has begun to reintegrate the school with UCOL's Taupo Quay campus. Council's ongoing commitment centres on the successful integration of the school with UCOL. The Glass School is currently undersubscribed by students but it does provide a point of difference for Wanganui and the district's iconic glass art is often used for positive marketing projects.

The Council has included \$95,000 in this Plan for 2012/13 to support the Glass School and this was largely supported by the submitters. A decision on future support of the Glass School will be made in late 2012.

Infrastructure capital expenditure

We are planning to carry out capital works for infrastructure during the next 10 years. Some of the more significant projects are (rounded to the nearest \$500,000 and including inflation) are:

Capital project	Amount \$M	Years
Airport runway	2.5	2018/19
Parks and reserves building and improvements	4.0	2019-2022
Roading replacement programme	4.0	2019-2022
Minor safety projects	9.0	2013-2022
Whanganui River Road seal extension	1.0	2012/13
Fitzherbert Avenue extension	2.5	2015-2018
Mosston Road realignment	11.5	2015-2020
Pathways construction	4.0	2013-2022
Heads Road roundabout	1.5	2012/13
Montgomery Road reconstruction	1.5	2017-2022
Wyleys Bridge replacement	1.5	2013/14
Dublin Street Bridge replacement	37.0	2017-2022
Wakefield Street Bridge replacement	2.0	2016-2018

Armco culverts replacements	2.5	2016-2018
Sealed road resurfacing	28.0	2013-2022
Drainage renewals	14.0	2013-2022
Pavement rehabilitation	3.5	2013-2022
Water reticulation replacement programme	4.0	2019-2022
Westmere No 1 reservoir	7.0	2017-2018
Wastewater replacement programme	4.0	2019-2022
Pipe Bridge replacement	1.5	2020/21
Generator replacement (wastewater)	4.5	2021/22
Earthquake strengthening	21.0	2013-2016

Other issues

The effect of forestry harvesting on rural roads

The Council has investigated the potential impacts of the current and future forestry harvests on rural roads. Forestry is an important industry throughout our district; however, many rural roads are not built to take more than light traffic. Upgrading the roads to cope with the weight of heavy logging vehicles is expensive and the Council is investigating options for paying for roading upgrades. The Council has held meetings with stakeholders to discuss the issue and will continue to work with stakeholders on finding a solution. Council considers the risk of not maintaining the roads immediately needs to be balanced against affordability matters in the first instance. The impact on the district's roads is expected to be relatively low risk during the first three years of the plan (2012-2015) and work will be managed within existing budgets. However, additional funding has been allocated from 2015/16 onward.

District Plan review

The Council is currently in the early stages of reviewing its District Plan. The central city and riverfront areas are complete and the Council is now working through the residential zone and the district's built heritage. As part of the process, the Council is also implementing a revised Development contributions policy (whereby developers who create demand on our infrastructure through subdivision must contribute to the

Executive summary

costs of meeting that demand). The Development contributions policy forms part of this 10-Year Plan and can be found on page 152.

Riverfront development plan

Council has included \$690,000 for riverfront development from 2013/14 to 2015/16. This continuing work, which will take place alongside programmed work on existing infrastructure, recognises the value of the Whanganui River and the riverfront to the district, in terms of economic, social, environmental and cultural well-being and ensures that future development in the area is well thought out and consulted on. Consultation on the initial concept for the riverfront development plan began in 2010 and it also formed part of the considerations and consultation for the District Plan Review of the central city and riverfront areas during 2011.

Sea port

The Council recently regained management of the port business, including staff, back from a private operator and is examining options around the future development of the Sea port. Wanganui District Council Holdings Limited currently manages the port business on behalf of the Council. No matter what happens with the port land, river control work previously associated with the Sea port business must continue to ensure the Whanganui River doesn't make its own arrangements about where it meets the sea. The port and harbour are not funded from rates because costs are met by the revenue generated from Harbour Endowment assets.

Digital Wanganui

The Council worked hard to help Wanganui become one of the first places in New Zealand to begin building an ultra fast broadband network. Wanganui's \$35M ultra fast broadband network could provide considerable economic, social, environmental and cultural benefits to the district over the next 10 years. The network is largely complete in the CBD and work is under way in other areas. The ultra fast broadband network is being built by Ultrafast Fibre Limited and the Government at no cost to the Council. The first connections to the network are expected to begin around July 2012. Work is also under way in the rural area, although all the details of who will be able to connect are not clear at this stage.

The Council has set up the Wanganui Digital Leaders Forum to make the most of the opportunities offered by ultra fast broadband and to ensure access for all. The Forum is currently facilitated through the Council. Due to financial constraints, no funding for digital work or projects was allocated in the draft Plan. However, after considering submissions, the Council decide to allocate three years of funding for a Digital Wanganui Co-ordinator and digital initiatives to capitalise on the early roll-out of ultra fast broadband. The digital initiatives will be funded through reallocation of existing budgets.

Connected neighbourhoods

The Council recognises the importance of neighbourhoods in creating a family-friendly Wanganui. During the Council's strategic planning workshop in December 2011, the Council examined the factors that make a district a great place to live and found that strong neighbourhoods are key to instilling a sense of identity and belonging. The Council supports neighbourhood strategic planning, developing accessible services and activities and points of connectivity and action. Due to the current financial situation, the Council has not included any funding in this Plan for work with connected neighbourhoods.

Library and technology community hubs

The Gonville library, café and health centre complex has provided a community hub of health, learning and social opportunity to the Gonville community. A number of other communities have expressed their need for a similar neighbourhood hub and the Council is currently examining opportunities to roll out this extremely successful model elsewhere. \$300,000 has been allocated in year 3 of the Libraries budget for a new hub library.

Resource Recovery Centre

Council is planning to establish a Resource Recovery Centre for Wanganui from Year 1 of this Plan. A Resource Recovery Centre (RRC) is a facility where the public can bring waste and recoverable materials for reuse and recycling. It would provide another recycling centre to complement the existing Peat Street drop-off centre, while increasing the range of materials that could be reused or recycled. It could potentially

Executive summary

offer used goods for resale and could include an education centre. Council's Waste Management and Minimisation Working Party is driving this project and is looking to establish key working relationships with Iwi and Sustainable Whanganui Trust. Establishment costs and initial operating losses are expected to be funded via Council's waste levy fund with assistance from outside funding opportunities.

Guyton Group

A group of retailers, building owners and residents in Guyton Street have been working together to develop an idea to enhance the amenity and safety of Guyton Street. The concept includes potential changes to the road layout, amenity lighting, a sculpture on the Guyton Street/Wicksteed Street roundabout to create a gateway, a life-size bronze sculpture of James K Baxter, and the introduction of James K Baxter poetry on plaques.

The Council supports this concept in principle and applauds the initiative of the Guyton Group and there was also support for the proposal through the public consultation process. The Guyton Group intends to fundraise to pay for aspects of this proposal. The Council has not allocated any funding in this Plan to progress any part of this concept.

Shared pathways

The Council is proposing to build a shared pathway from the Aramoho Rail Bridge to Upokongaro. This will tie in with the national cycleway as well as providing recreational opportunities for Wanganui residents and visitors. The Council is applying for government funding to support this project, as well as drawing on the expertise of Iwi, Department of Conservation, Horizons Regional Council and New Zealand Transport Agency (NZTA). There is no funding in this Plan for shared pathways.

Local government reform and sharing services

The Council will continue to talk with other local authorities in our region to find ways that we can work together and, where possible, share services. The Council has been working on a shared services project for some time and will continue to develop this in the future. Sharing services enables us

to pool our strengths and use the expertise of neighbouring local authorities, with the added bonus of reducing costs.

Changes to the 10-Year Plan following consultation

The Council made a number of changes to the 10-Year Plan after considering public submissions.

- \$5000 additional funds for Wanganui East Pool.
- \$10,000 funding for an initiative to improve insulation for lower decile homes.
- \$20,000 increase in Masters Games funding.
- \$7500 increase in funds available for owners of heritage buildings to do earthquake assessments.
- Replacement of Opera House seating was deferred from 2012/13 to 2013/14 while earthquake strengthening work is considered.
- Safer Whanganui Community Co-ordinator role will remain a part-time position in 2012/13.

Community partnerships

There is a strong focus on community partnerships in this 10-Year Plan. The Council is facing considerable financial constraints and the community's ability to pay rates has not improved over the last three years. This 10-Year Plan is not full of exciting capital works. It includes a restrained, fiscally responsible budget that will ensure the Council is in a better position when this 10-Year Plan is reviewed in 2015.

Despite these constraints, the Council understands that Wanganui must continue to work on establishing itself as a truly family-friendly district if its citizens are to enjoy the best possible quality of life. As a result, community partnerships are increasingly strengthened and relied on to achieve the vision in the 10-Year Plan. Working together in this way will reduce costs, increase efficiency and effectiveness and allow the Council to continue to pursue its vision of being a family-friendly district.

Executive summary

At times the Council may be required to support organisations that it believes are integral to the fabric of the Wanganui community and its well-being. The need for this support cannot be predicted and will be considered on a case-by-case basis.

Iwi partnerships and settlement of the Whanganui River claim

Whanganui Iwi have a strong interest and part to play in shaping the future of Wanganui, especially as settlement with the Crown of Treaty of Waitangi claims enables them to progress toward their goals. Two Iwi (Nga Rauaru and Ngati Apa), which are partly within the Wanganui District, have reached settlement on their Treaty claims. Claims by Te Atihaunui a Paparangi on the Whanganui River and Land are yet to be settled but it is anticipated that settlement will be achieved relatively soon.

The Council is committed to meaningful and enduring relationships with Iwi as we work together for the future.

Building a new financial strategy

The purpose of a financial strategy is to facilitate:

- prudent financial management by Council by providing a guide for the Council to consider proposals for funding and expenditure against levels of service; and
- consultation on the Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt and investments.

The Council has developed a new financial strategy as part of this 10-Year Plan. The financial strategy was a key item for consultation and we received submissions both supporting and opposing the strategy.

Significant factors

The financial strategy states the factors that are expected to have a significant impact on Council over the next 10 years, including:

- expected changes in population and the use of land in the district, and the capital and operating costs of providing for those changes
- expected capital expenditure on network infrastructure, flood protection and flood control work that is required to maintain existing levels of service currently provided by Council
- other significant factors affecting Council's ability to maintain existing levels of service and to meet additional demands for services
- quantified limits on rates, rate increases and borrowing
- assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits
- the Council's policy on the giving of securities for its borrowing
- the Council's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

A summary of the principles and tools used in our financial strategy

- Recognise that an integrated plan contains many competing variables and that trade-offs will occur in order to achieve a sustainable Council and a balanced budget
- Use of the principle of inter-generational equity to spread the cost of a service to those who benefit and accept that raising debt is the best way to pay for large projects
- Use robust asset management planning to underpin our expenditure and continually review and renew our capital assets, but prioritise spending upon them also noting that we are not budgeted for any additional demand in the Plan
- Awareness of the community's ability to pay for their rates bill and acknowledgement of the economic conditions of our community
- Prudence – being careful with deliberation – and producing a balanced budget
- Council regularly analyses who benefits from a service and how should they pay for services

Executive summary

- Balance our fiscal responsibilities with our Family-friendly Strategy and the community well-beings which are enshrined in legislation
- Acknowledge that most of Council's debt is created by major infrastructural projects
- Any distributions of income from Council's investments or proceeds from the sale of assets will generally be used to repay debt

A balancing act

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.

The 10-year planning process ties together all of the above variables. A balance is sought between desired levels of service and the money available to Council. But there will always be trade-offs.

But things can change... unpredictable events, new circumstances and urgent Council decisions take place that can vary the plan. The Council updates its budget each month to account for new circumstances and new information and these changes are presented to the Council's Strategy and Finance Committee each quarter.

Who benefits?

Council uses its Revenue and financing policy 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?

Population change and possible effects on our land use

Along with this, Statistics New Zealand predicts that the Wanganui District will experience minimal growth over the next 20 years. Although we expect any changes to our population to be fairly small, we do expect around 70 new houses each year. We cannot rely on getting extra money from new ratepayers as a way to fund our activities. The Council is reviewing its District Plan to ensure that it best reflects and meets the needs of the

community, as well as ensuring the district's resources are managed in a sustainable way.

Shaped by our river and environment

Significant work and money has gone into upgrading our wastewater and stormwater infrastructure over the last 30 years and the Whanganui River now has high quality water and an ecosystem that is recovering well.

Affordability

Wanganui has an increasing senior population on fixed incomes and a lower than national average household income. This Council has been a national leader in making the community's ability to pay for rates a key principle. 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. These statistics are important in determining our community's ability to pay rates.

Global financial crisis

While we haven't felt the worst effects of the crisis, there is a level of uncertainty as to how the wider financial climate will affect us over the next 10 years, including which industry sectors will see growth or difficulty.

Natural disasters

The nature of planning ahead means making some assumptions about what will or will not happen, which always carries a certain amount of risk. Elements that contribute to the beauty of our district, such as the Whanganui River, also bring with them a susceptibility to natural events such as flooding. In the wake of the Christchurch earthquakes it is also likely that the government may change the rules on building standards. As yet it is unclear what may be required of the Council and building owners and what role government itself would play in helping to meet any new standards. The Council will be following developments closely. Our district has many buildings of historic importance and it will be a critical, though not always easy, conversation to agree the relative costs and value of strengthening or replacing buildings to best mitigate any risk to our people while maintaining our heritage.

Executive summary

Debt

Fairness through the generations

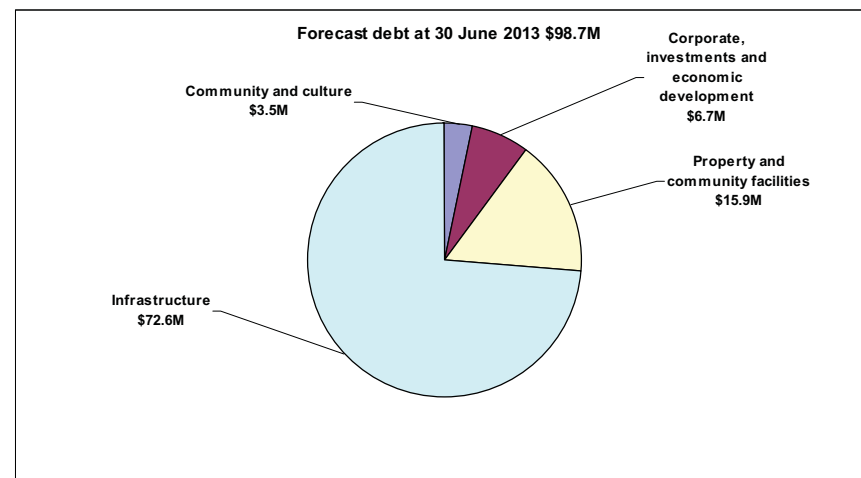
The Council has spent well over \$100 million during the last 30 years on big infrastructure projects and has borrowed money to pay for them. We can attribute most of our debt balance to these big projects. Debt funding is an important method to achieve the principle of inter-generational equity. That is the concept of sharing the cost to ratepayers when they benefit from the service provided by spreading over time the cost of a service to the people who benefit from it. However, Council can only borrow a set level of money. We must be careful that our interest bill on the debt is affordable over time.

When Council starts a new project it usually charges it to ratepayers over a 25-year time span or the life of the asset.

The current picture

The Council is expected to have around \$910 million of assets and \$99 million of debt at June 2013. The wastewater and stormwater capital projects were expensive but the Council considered that the health of the community and the health of the environment were too important to continue disposing of waste into the Whanganui River. The Council and the community are now coming to the end of these big programmes.

The following graph and table show debt balances by group:

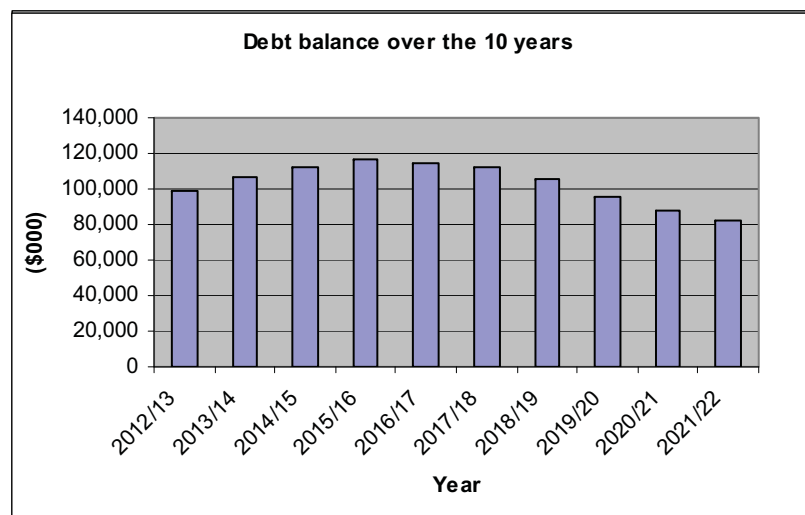


Group of activities	\$M
Economic development	0.5
Transportation	1.1
Earthquake strengthening	1.9
Corporate	3.0
Investments	3.2
Community and culture	3.5
Community facilities and services	4.9
Roads & Footpaths/pathways	8.8
Parks and recreation	9.1
Wastewater	10.9
Water supply	15.4
Stormwater	36.4
Total forecast debt 2012/13	98.7

The following graph shows the projected debt balance over the term of this plan, peaking in 2015/16 at \$119 million. The increasing debt from

Executive summary

2012/13 to 2015/16 reflects the costs of strengthening work on some of the Council's earthquake-prone buildings.



Debt retirement policy

Council funds new capital projects and some capital replacements from borrowings, the sale of existing assets, rates and/or reserves. The relatively high level of Council debt is largely as a result of the \$120 million wastewater project. In order to be more sustainable in the future, Council proposes to implement a debt retirement policy. The effect of this is to commit to paying off loans that have come about from building new assets, particularly infrastructural assets.

Liability management policy

Council has developed a new Liability management policy (found on page 136) which takes account of the New Zealand Local Government Funding Agency Limited (LGFA). The ability to borrow from the LGFA will mean Council has cheaper costs of funds into the future. No costs for a potential share capital purchase into the LGFA have been included in this plan and a full cost/benefit analysis will be performed before any decision is made.

The Liability management policy sets out limits on borrowing, which have been aligned to those required by the LGFA. Council has added sections on delegations and reporting on borrowings to Council meetings.

Limits on borrowing

The new Liability management policy proposes Council will adhere to the following limits:

Net debt as a percentage of equity	<20%
Net debt as a percentage of income	<200%
Net interest as a percentage of income	<15%
Liquidity	>110%

Liquidity is calculated as follows: External debt + cash or near cash financial investments + committed loan facilities, to existing external debt.

Income is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Income excludes development contributions and vested assets and excludes non-government capital contributions.

Net debt is defined as total debt less cash or near cash financial investments.

Disaster recovery requirements are to be met through the liquidity ratio.

Giving securities for Council borrowing

The Council gives securities against its borrowing for external lenders, for itself and group companies. The Council uses interest rate risk management instruments to mitigate interest rate risk. Council operates according to a Debenture Trust Deed which enables the wholesale issuing of Local Authority Stock (a capital debt financial instrument).

Rates

Executive summary

Revenue and financing policy

Council uses its Revenue and financing policy (page 103) 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. A funding review has been completed and the policy is on page 103.

The reasons your rates change

Your rates are likely to change from year to year because Council's costs change. The cost of doing business in the district is driven by a number of factors, outlined in the following diagram along with our estimate of the effects of each:

Growth

While the population is static, there is growth in the number of households due to an ageing population and increasing single parent families

+ Price changes

Inflation and increases in consumer and local government goods means that it will cost councils more to do business

+ Urban and rural communities

Having both urban and rural communities means that services need to meet the needs of both

+ Service level changes

The level of each service affects what resources, capabilities and assets are required to be funded

+ Assets owned

Changes in the number of type of assets through disposal and acquisition

+ Asset renewals

The cost of maintaining assets corresponds to the useful life of those assets

+ Existing debt levels

Borrowing money now to fund infrastructure for future generations comes with interest costs

- Efficiencies and innovation

Finding efficiencies in the way we do business and provide services

= Expenditure required

The following table shows the projected rates increases:

	Residential	Farming	Commercial	Overall
Base increase	4.70%	4.30%	3.80%	
Earthquake strengthening rate	0.60%	0.50%	0.20%	
Debt retirement rate	0.90%	0.90%	1.60%	
% total rate increase 2012/13	6.20%	5.70%	5.60%	6.00%
Dollar rate increase	\$119	\$128	\$415	
Capital value of average property 2012/13	212,000	675,000	899,000	
Average rate 2012/13	\$2,031	\$2,378	\$7,834	\$2,426
Average rate 2011/12	\$1,912	\$2,250	\$7,419	\$2,277

Executive summary

Rates examples by type and property value

The following table shows projected rates by rate type for a sample of properties:

Land value	Capital value	2011/12 Rates	2012/13 Rates	Movement in rates
<i>Residential</i>				
57,000	95,000	1,607.31	1,702.40	5.9%
47,000	111,000	1,654.54	1,763.10	6.6%
41,000	125,000	1,656.69	1,768.20	6.7%
24,000	120,000	1,560.13	1,667.00	6.9%
83,000	135,000	1,889.85	2,012.10	6.5%
27,000	129,000	1,595.82	1,706.00	6.9%
27,000	145,000	1,632.58	1,747.40	7.0%
58,000	185,000	1,761.77	1,873.40	6.3%
123,000	185,000	2,087.05	2,210.80	5.9%
98,000	240,000	2,206.16	2,361.90	7.1%
94,000	310,000	2,346.98	2,522.70	7.5%
155,000	400,000	2,604.23	2,772.80	6.5%
230,000	500,000	3,464.11	3,720.80	7.4%
133,000	480,000	2,932.73	3,165.50	7.9%
<i>Farming</i>				
325,000	345,000	863.35	908.80	5.3%
430,000	440,000	1,349.34	1,417.60	5.1%
510,000	730,000	2,501.90	2,656.50	6.2%
1,900,000	1,950,000	5,669.60	5,990.90	5.7%
1,850,000	2,300,000	5,347.70	5,642.90	5.5%
4,175,000	4,775,000	13,643.21	14,452.10	5.9%
<i>Commercial</i>				
68,000	68,000	1,221.31	1,256.50	2.9%
48,000	170,000	2,379.07	2,524.10	6.1%
59,000	285,000	2,926.29	3,121.80	6.7%
106,000	350,000	3,757.05	3,983.80	6.0%
315,000	375,000	8,390.73	8,665.60	3.3%
240,000	590,000	8,448.92	8,910.90	5.5%
290,000	860,000	9,077.12	9,604.70	5.8%

Average residential rates by suburb

The following table shows the average residential rates by suburb. It compares the average rates for 2011/12 with the proposed average rates for 2012/13 and shows the effect of the proposed debt retirement rate and earthquake strengthening rate. The 'business as usual' column shows the cost of continuing to provide existing services.

Suburb	Average of 2012/13 Rates	Average of 2011/12 Rates	Debt retirement rate	Earthquake strengthening rate	Business as usual	Average rate increase
Aramoho	\$ 1,872	\$ 1,753	\$ 23 1.2%	\$ 12 0.6%	\$ 84 4.5%	\$ 119 6.4%
Castlecliff	\$ 1,779	\$ 1,672	\$ 17 1.0%	\$ 12 0.6%	\$ 79 4.4%	\$ 108 6.0%
Central City	\$ 2,150	\$ 2,012	\$ 28 1.3%	\$ 12 0.5%	\$ 98 4.6%	\$ 138 6.4%
Durie/Bastia/Putiki	\$ 2,219	\$ 2,061	\$ 37 1.7%	\$ 12 0.5%	\$ 110 5.0%	\$ 159 7.1%
Gonville	\$ 2,032	\$ 1,906	\$ 24 1.2%	\$ 12 0.6%	\$ 92 4.5%	\$ 127 6.2%
Springvale	\$ 2,257	\$ 2,105	\$ 39 1.7%	\$ 12 0.5%	\$ 101 4.5%	\$ 152 6.7%
St Johns Hill	\$ 2,516	\$ 2,343	\$ 49 1.9%	\$ 12 0.5%	\$ 113 4.5%	\$ 173 6.9%
Wanganui East	\$ 1,977	\$ 1,853	\$ 24 1.2%	\$ 12 0.6%	\$ 89 4.5%	\$ 124 6.3%
Other	\$ 1,762	\$ 1,650	\$ 21 1.2%	\$ 12 0.7%	\$ 79 4.5%	\$ 112 6.4%

Strengthening our financial position

Our financial strategy aims to strengthen Council's financial position in a sustainable way for the future. Legislation now requires councils to set limits around rates charged, money borrowed, risks etc.

	Objectives	Measures	Targets
Rate charges	Rate charges are controlled prudently and are considered reasonable given the community's ability to pay	Rates percentage increases	The Local Government Inflation Rate plus 2% plus targeted rates for debt repayment or natural disaster
Cost to deliver services	Services are delivered in an efficient manner, working collaboratively with other agencies, organisations and groups where possible. Service costs are applied evenly and fairly (within the limits of the available mechanisms)	Costs percentage increases	An annual increase of no more than local government applicable inflation rates
Financial position	Our financial position is maintained and capital is not eroded	Net debt level Net debt/ equity ratio Cash surplus	Compliance with the Liability management policy
Funding supply	We have secure and cost-effective funding sources available to meet our financial needs	Compliance with the Liability management policy	Compliance with the Liability management policy

Executive summary

Further rules we follow

Council considers it good practice to follow these funding principles:

- The Council will fund its capital spending for new assets primarily from borrowing where intergenerational equity principles and benefits occur. The borrowing will be repaid from rates. Renewals of existing assets may be rates and/or loan funded.
- Any development contributions (funding required of a property developer to contribute toward the infrastructure requirements created by their development) will only be used to pay for capital spending related to growth.
- Money from selling assets and income made by investments will only be used to repay debt or pay for capital spending. The preferred option of these two is to repay debt.
- Grants and subsidies received by Council will be applied to the purposes for which they are received, either funding day-to-day operating expenses or capital.
- Projected cash surpluses may be used to repay debt, fund new capital expenditure or new operating expenditure

Investments – why we hold and manage them

The Council recognises that as a responsible public authority and in the interests of prudent management, any investments that it holds will be low risk. It also recognises that lower risk generally means lower returns. Council operates Wanganui District Council Holdings Limited which provides governance and monitoring for its investment portfolios. Expected returns vary between each investment. Targets for estimated returns are found in the assumptions on page 62.

Investment policy

This policy (page 145) has been updated to enable Council to invest in:

- The New Zealand Local Government Funding Agency Limited
- Other investments that meet the Council's general objectives or desired outcomes (these may include loan advances to ratepayers for expenditure on healthy homes, water storage tanks, solar power units, earthquake-prone buildings' compliance costs).

Council's property portfolios have been analysed and aligned to required outcomes. The City Freehold property portfolio has been renamed to 'Community and operational portfolio'.

Other financial policy changes

The following changes to Council's financial policies have taken place during the development of this Plan.

Development contributions policy

Council has rewritten 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 Family-friendly vision has been considered when reviewing this policy and a more lenient approach to secondary dwellings has been taken. The policy can be found on page 152.

Policy for remission of rates on Maori freehold land

An objective has been added which reads:

'To recognise that Council faces long standing issues regarding ownership of some blocks of Maori land'.

Council is committed to working with this group of ratepayers to assist with settling their rates liability. To enable efficient processing of rates matters, Council has added a new delegated responsibility, as follows:

'The Chief Executive may offer remission where the ratepayer balance is less than \$2,500 and the remission has been reported to the Council. Council will decide all applications in regard to ratepayer balances over \$2,500'.

Asset management and deferred maintenance

Over the last three years, Council has invested a great deal of resources in asset management planning. Asset management planning is identifying what assets (land, buildings, water and wastewater networks, plant and

Executive summary

equipment) we have and what we need to do to keep the assets operating as desired. The result of this planning combines asset condition and financial information and links it to Council's key outputs – levels of service provided to the community. A key part of asset management is assessing risk of asset failure.

Total assets with deferred budget **\$4.7 million**

This refers to assets that are past the end of their useful life but are at high risk of failure due to poor condition and/or performance assessments. This category, broken down by groups of activities, is:

Group	Deferred budget
Parks and recreation	\$1,550,000
Community facilities and services	\$475,000
Community and cultural	\$350,000
Economic development	\$150,000
Transportation	\$100,000
Roads, footpaths and pathways	\$1,000,000
Water supply	\$200,000
Stormwater	\$0
Flood protection and control	\$100,000
Wastewater	\$700,000
Investments	\$0
Corporate	\$100,000

Council and management have to prioritise spending to achieve a balanced budget and use their experience to decide what needs to happen and when.

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 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.

The following table outlines significant excluded (E) or deferred (D) projects and the possible risks and consequences of these decisions. It also examines the effect on levels of service and the impact on community well-being.

Item excluded or deferred by activity	Risks/consequences	Effect on levels of service and community well-being
Water supply – water conservation education programme \$20,000 per annum (E)	Water conservation may not be optimised during drought periods. This may result in reservoirs levels reaching low levels, which in turn places the city in risk of no water, if power outages occur at the same time as the reservoirs are not able to be filled.	No change to level of service during non-drought times
Stormwater – catchment upgrades identified by the stormwater catchment studies \$500,000+ (E)	No improvement to the safety of land, people and property from the risks of flooding	No change to level of service. Flooding may occur if higher rainfalls eventuate
Stormwater – Springvale swale deferred until 2013/14 – 2016/17 \$900,000 (D)	Flooding risk will affect the safety of land, people and property if higher rainfalls eventuate due to climate change or similar	No change to level of service. Flooding may occur if higher rainfalls eventuate

Executive summary

Stormwater – Virginia Lake algae bloom prevention deferred until 2014/15 \$300,000 (D)	Algae bloom may continue to affect Virginia Lake in the interim	No change to level of service
Stormwater – Springvale detention pond deferred until 2013/14 \$100,000 study (D)	Potential limitation of infill development	No change to level of service
Waterways and natural drainage – No upgrades to stopbanks whilst awaiting Horizons Regional Council's new proposed stopbank programme (E)	Relying on Horizons Regional Council to come up with a cost-effective way to reduce or mitigate risk of flooding	No change to level of service
Wastewater – Pump station upgrades deferred until 2013/14 and 2014/15 \$975,000 (D)	Increased risk of pump stations failing, causing sewage to enter the river environment	Level of service may be reduced if asset fails
Wastewater – Overflow manhole control deferred until 2013/14, 2014/15 and 2015/16 \$300,000 (D)	Stormwater may inflow to wastewater system where cross-connections exist	Level of service of wastewater system may be reduced if stormwater inflow occurs
Wastewater – Beach Road generator replacement deferred until 2021/22 \$2.5M (D)	Sewage spillage may occur in the event of both power and existing generator failure	No change to level of service
Wastewater – Beach Road pump station magflow replacement deferred until 2013/14 \$450,000 (D)	Incorrect measuring of the total volume of wastewater which will have a negative effect on the accuracy of trade waste charges and consent conditions.	No change to level of service

Roading – Emergency works – road repairs \$400,000 in 2012/13 escalating to \$800,000 by 2016/17 (E)	Emergency works would need to be either loan funded or delayed if cost more than budget	Possible reduction in level of service if works delayed
Roading/Footpaths and berms – Somme Parade shared pathway (Dublin Street Bridge to Railway Bridge) (E)	Pathway not extended	No change to level of service
Roading – City Bridge lighting \$200,000 (E)	Increased capital costs	No change to level of service
Roading – Dublin Street Bridge lighting \$120,000 (E)	Increased capital costs	No change to level of service
Roading/Footpaths and berms – Upokongaro cycle link \$750,000 (E)	Government funding is being applied for	No change to level of service
Roading – Wikitoria Road culvert replacement \$500,000 (E)	Increased maintenance cost and risk of flooding upstream private property	No change to level of service
Roading – Landguard Road/Chas Poynter Drive seal extension \$600,000 (E)	Road remains unsealed	No change to level of service
Roading – Caversham Road/Springvale Road intersection \$450,000 (E)	Potential for increase in the number of crashes	No change to level of service
Roading – Rapanui Road widening. Cost to be determined in study. (E)	Safety of Rapanui Road not improved. Road has high holiday and local traffic (including cyclists attracted to the beach)	No change to level of service

Executive summary

Roading/Footpaths and berms – Riverfront Development berm and carparks \$1,680,000 (E)	Riverfront development is drawn out, which in turn reduces the economic return to the city. Traffic and parking problems remain	No change to level of service
Parks and reserves – Wharf Street boat ramp repairs \$50,000 (E)	This will restrict access to part of the ramp and increase operational maintenance costs in later years	Minor reduction in level of service, which will affect recreational opportunities
Parks and reserves – Southern Entranceway landscaping \$60,000 (E)	Beautification of Southern Entranceway not completed	No change to level of service
Parks and reserves – Velodrome roof \$7.325M and track \$1.8M (E)	Risk of track deteriorating more quickly and may become unusable	Potential reduction to level of service
Parks and reserves – South Spit and South Mole maintenance \$500,000 (E)	Potential further erosion of the river walls	No change to level of service
Parks and reserves – Upgrades of toilets at Lake Wairua excluded \$16,000 (E)	Reduced quality and accessibility of conveniences at Lake Wairua	Reduction in level of service, which could affect community pride and the image of the district
Swimming pools – Splash Centre acoustics project \$50,000 (E)	Acoustic quality not improved	No change to level of service
Community development – Sculpture Wanganui competition moved from biennial to triennial (E)	Less public art installed	No change to level of service

Economic development – Reduction of Impact Fund by \$140,000 to a balance of \$60,000 per annum (E)	Some events and groups that support Wanganui's economic development will not be able to be funded	Reduced size and number of events in Wanganui
Economic development – Reduction of Conference Bureau by \$10,000 to a balance of \$10,000 per annum (E)	Marketing of Wanganui as a conference destination may suffer	No change to level of service
Economic development – Funding to continue to maximise Wanganui's achievement as one of the first places in New Zealand to have an ultra fast broadband network (E)	Wanganui may not be able to make the most of its point of difference, as one of the first places to offer UFB, before UFB is made available in other cities and districts	No change to level of service
Central Business District maintenance – various capital replacement items in 2019/20, 2020/21 and 2021/22 (see Volume 2) \$130,000, \$74,000 and \$2000 (E)	Visual appeal of items may be reduced as they deteriorate	No change to level of service, but could reflect on Wanganui's image
Cemeteries – Replacement of slumping ground beams at the cemetery \$100,000 (E)	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

Executive summary

Waste minimisation – Kerbside recycling service, estimated \$800,000 per annum (E)	Rubbish will continue to go to landfills. There will also be an element of community disappointment as there has been expectation of gaining a kerbside recycling service	No change to level of service
Community buildings – Ward Observatory re-roof, telescope upgrade and building maintenance \$99,000 (E)	Risk of asset deteriorating	No change to level of service
Community buildings – Ladies Rest and toilet block refit and upgrade \$171,900 (E)	Reduced quality and accessibility of conveniences at the Ladies Rest	Reduction in level of service, which could affect community pride and the image of the district
Community buildings – Upokongaro Hall repairs, septic tank upgrade and flooring replacement \$51,300 (E)	Reduced quality of facility	Potential reduction in level of service, affecting community pride and usage of the facility
Regulatory services – potential dog pound improvements \$40,000 (E)	Asset may not meet pound's legislative requirements if flagged amendments to legislation are passed in future	No change in level of service at this stage
Governance – Council Chambers sound system \$110,000 (E)	Ongoing poor sound quality in the Council Chambers for elected members and the public	No change to level of service
Corporate management – Radio telephones replacement \$100,000 (E)	Risk of increased breakdowns	No change to level of service

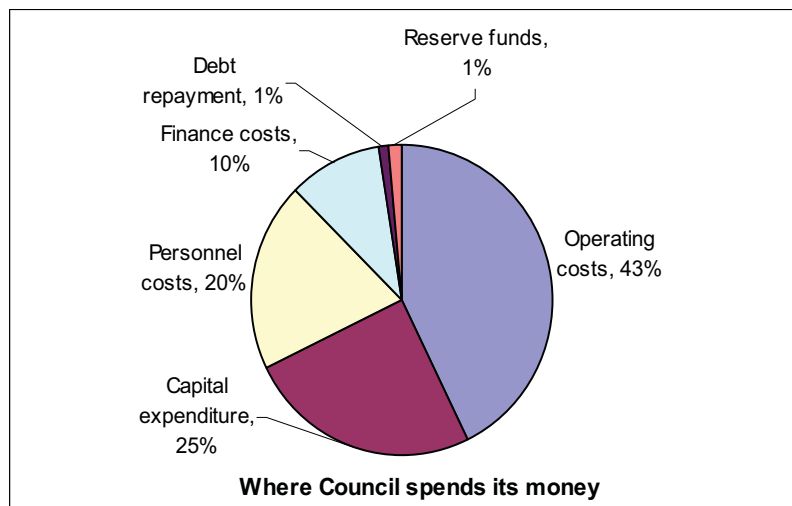
Community and operational property – Sea Cadets building refurbishment \$75,000 (E)	Risk of further deterioration and increased costs to repair	No change to level of service
--	---	-------------------------------

In the process of developing this Plan, the Council asked management to find additional ways to reduce costs. This resulted in internal savings of \$300,000 in personnel and associated costs.

The Council's finances for the next 10 years

The following Prospective cost of service statement shows Council's income and expenditure over the next 10 years. Council uses this format to develop its budgets and account for income and expenditure via its monthly management reporting process. Total income increases from \$67.1 million in 2012/13 to \$115.4 million in 2021/22. Of the increase of \$48.3 million, rates collected will increase by \$27.9 million over the 10 years. In the early years of the Plan, rates will be collected for earthquake strengthening of Council-owned buildings. A rate is also being introduced to assist with repaying debt and this is applied to each year of the Plan. Council is forecasting an average 2.7% increase per year in total activity costs. More than \$267 million is programmed to be spent on assets over the 10 years. The Council's debt will peak at \$119 million in 2015/16 and then progressively decrease through the subsequent years of the Plan to reach \$82 million in 2021/22. Detailed prospective financial statements can be found on pages 62 to 101 of Volume 1.

Executive summary

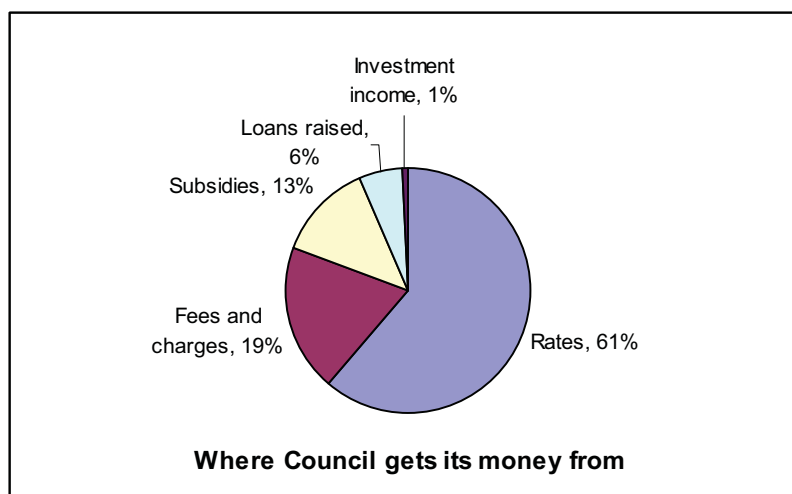


Reconciling the Prospective cost of service statement to Statement of comprehensive income

The purpose of the “Prospective cost of service statement” (COSS) is to show how much Wanganui District Council spends and how that spending is funded. This statement differs from the “Prospective statement of comprehensive income” (SOCI) in that it includes capital expenditure and excludes non cash items, that are not funded.

Total income in the COSS excludes Gains from the revaluation of investment properties.

Total activity costs do not include depreciation, but does include capital expenditure and loan/reserve funding.



Prospective cost of service statement

	Annual Plan ¹ 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Income											
Rates	41,096	43,754	46,948	50,311	53,860	56,379	58,607	60,941	64,270	67,938	71,655
Subsidies	8,020	9,173	8,713	8,023	9,535	11,300	14,115	14,043	14,498	20,037	24,272
User fees and other income	14,097	14,162	14,353	14,769	15,168	16,845	17,274	17,777	18,386	19,779	19,472
Total income	63,212	67,088	70,015	73,103	78,564	84,524	89,996	92,761	97,155	107,754	115,399
Capital funding											
Transfer from/(to) special funds	(245)	(247)	(277)	(193)	(168)	(393)	(393)	(393)	(393)	(393)	(393)
New loans/(loans repaid)	5,588	3,124	8,464	6,890	4,898	(2,715)	(3,237)	(6,488)	(9,918)	(8,343)	(5,652)
Total capital funding	5,342	2,877	8,187	6,697	4,730	(3,108)	(3,630)	(6,881)	(10,311)	(8,736)	(6,045)
Total funding	68,555	69,966	78,201	79,800	83,294	81,416	86,366	85,880	86,843	99,018	109,354
Costs											
Operating costs	29,166	30,965	31,967	33,052	34,030	34,809	35,964	36,954	38,014	39,340	40,120
Salaries and wages	13,596	14,098	14,592	15,055	15,531	16,030	16,546	17,063	17,600	18,195	18,823
Debt servicing	6,853	7,086	7,387	7,921	8,330	8,174	7,963	7,621	7,044	6,403	5,910
Total activity costs	49,615	52,149	53,946	56,028	57,891	59,013	60,473	61,638	62,658	63,938	64,853
Capital expenditure											
Capital acquisitions	8,650	6,468	5,341	6,642	6,746	6,705	5,418	8,176	8,250	5,270	4,713
Capital replacements	10,289	11,349	18,914	17,130	18,658	15,698	20,475	16,066	15,935	29,811	39,788
Total capital expenditure	18,940	17,816	24,255	23,772	25,403	22,403	25,893	24,242	24,185	35,080	44,501
Total funding requirement	68,555	69,966	78,201	79,800	83,294	81,416	86,366	85,880	86,843	99,018	109,354
Rates Increase (to existing ratepayers) ²		6.0%	6.8%	6.7%	6.6%	4.3%	3.6%	3.6%	5.1%	5.4%	5.2%
Debt Balance	95,566	98,690	107,154	114,044	118,942	116,227	112,990	106,503	96,584	88,241	82,589
Breakdown of Rates increase											
Earthquake strengthening		0.5%	1.5%	1.4%	1.3%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Debt retirement		1.5%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Business as usual increase		4.0%	5.2%	5.2%	5.2%	4.3%	3.6%	3.6%	5.1%	5.4%	5.2%

¹Rates and User fees for the Annual Plan have been restated by \$150,000 relating to the fixed charge portion on metered water being reclassified as a Rate

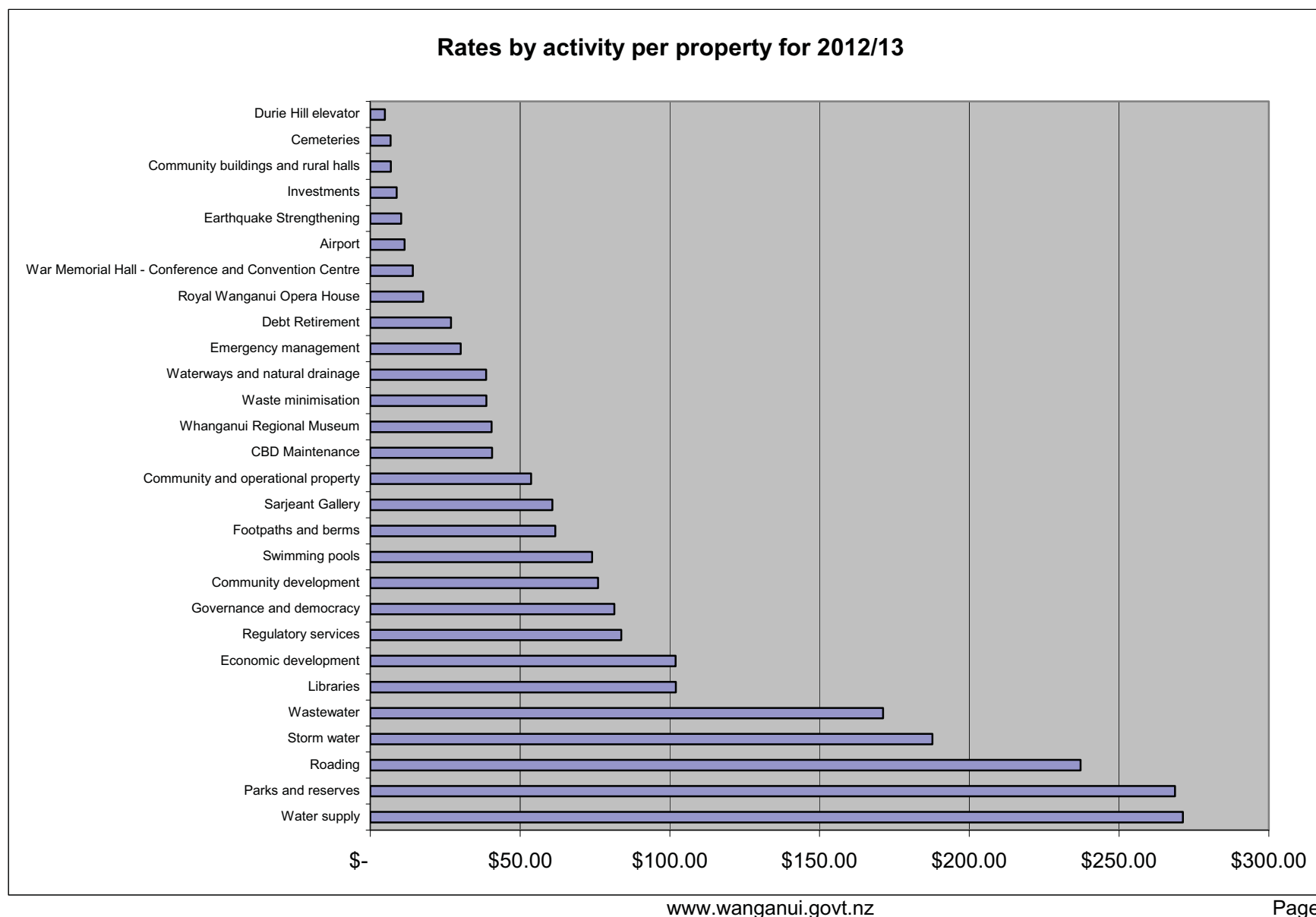
²Assumes growth in the rating database of \$200,000

Rates required by activity for 2012/13 \$000

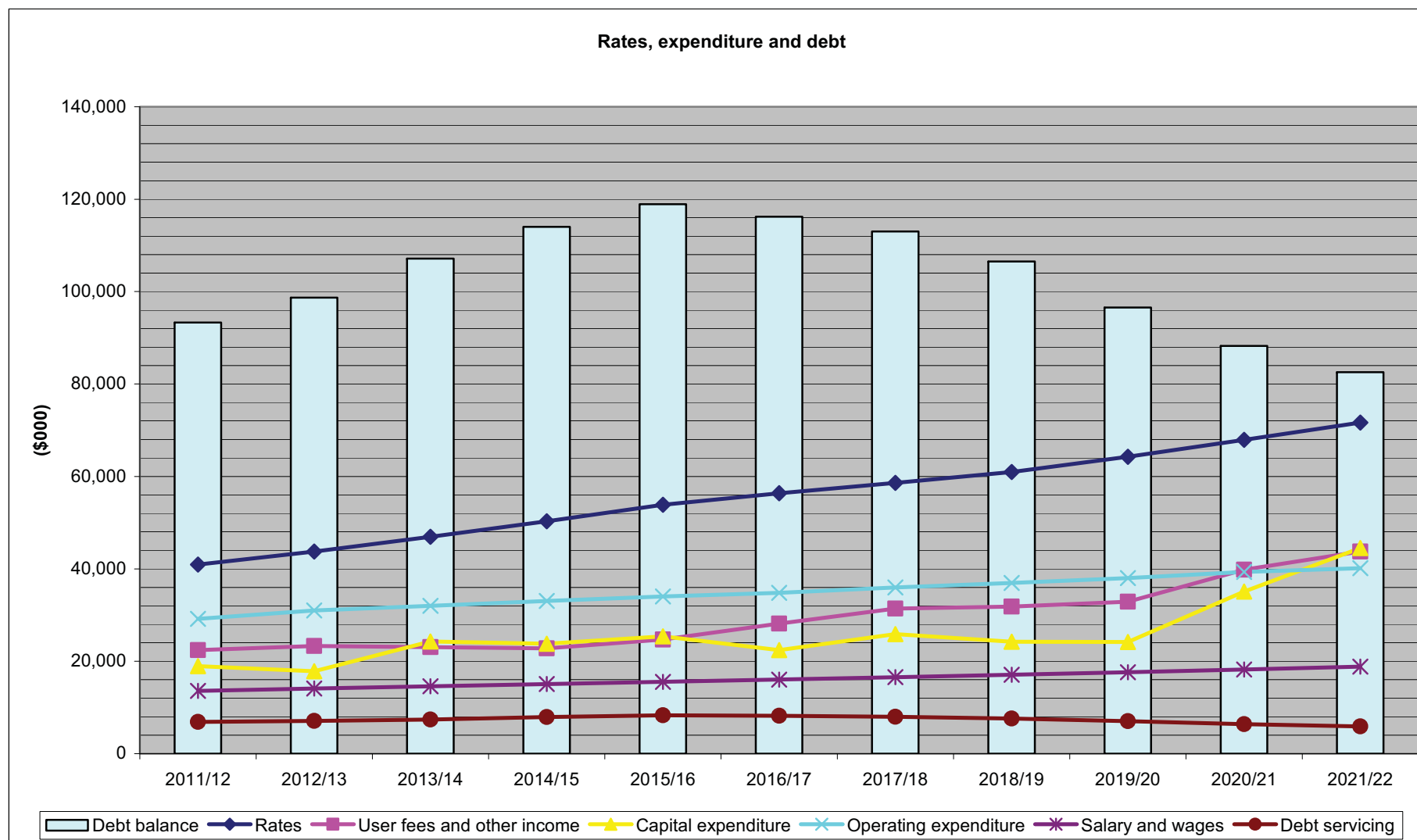
Activity	Revenue (\$000)	Operating costs (\$000)	Personnel costs (\$000)	Finance costs (\$000)	Capital expenditure (\$000)	Capital funding (\$000)	Rates requirement (\$000)	2011/12 Rates requirement* (\$000)	Full time equivalent staff	Forecast Loans at 30 June 2013 (\$000)
Water supply	(1,777)	3,471	365	1,131	2,092	346	5,627	5,371	5.4	15,425
Water supply	(1,777)	3,471	365	1,131	2,092	346	5,627	5,371	5.4	15,425
Storm water	(79)	720	120	2,647	450	536	4,394	3,746	1.9	36,488
Storm water	(79)	720	120	2,647	450	536	4,394	3,746	1.9	36,488
Waterways and natural drainage	0	712	77	(11)	275	(250)	803	729	1.2	(24)
Flood protection and control	0	712	77	(11)	275	(250)	803	729	1.2	(24)
Wastewater	(1,701)	3,705	423	754	1,475	(1,104)	3,551	3,321	6.1	10,945
Wastewater	(1,701)	3,705	423	754	1,475	(1,104)	3,551	3,321	6.1	10,945
Footpaths and berms	(17)	888	30	26	305	50	1,281	1,235	0.3	333
Roading	(9,467)	5,776	358	581	8,501	(774)	4,974	4,517	4.2	8,427
Roads, footpaths and pathways	(9,484)	6,663	388	607	8,806	(724)	6,255	5,751	4.5	8,760
Parks and reserves	(395)	4,416	640	311	654	(54)	5,572	5,404	14.2	4,318
Swimming pools	0	962	1	345	28	200	1,537	1,639	0.0	4,664
Parks and recreation	(395)	5,378	641	657	682	146	7,109	7,043	14.2	8,982
Community development	(432)	1,311	748	(16)	12	(45)	1,578	1,335	12.8	(194)
Libraries	(270)	784	1,184	29	360	30	2,116	2,080	24.1	379
Sarjeant Gallery	(153)	589	675	139	30	(20)	1,261	1,149	11.2	1,921
Royal Wanganui Opera House	(88)	274	163	17	0	0	366	356	3.3	238
War Memorial Hall - Conference and Convention Centre	(75)	208	116	38	99	(90)	295	258	1.9	567
Whanganui Regional Museum	(75)	825	34	37	49	(30)	840	849	0.3	531
Community and cultural	(1,094)	3,991	2,920	245	550	(155)	6,456	6,027	53.5	3,441
Economic development	(73)	1,446	599	43	0	100	2,115	2,170	10.3	543
CBD Maintenance	(1)	841	3	0	0	0	844	874	0.1	0
Economic development	(73)	2,287	602	43	0	100	2,959	3,044	10.3	543
Cemeteries	(476)	503	5	41	448	(380)	141	105	0.1	751
Waste minimisation	(167)	595	96	179	0	100	803	747	2.8	2,421
Pensioner housing	(1,370)	1,067	95	99	50	60	0	0	1.8	1,330
Community buildings and rural halls	(14)	143	16	(2)	0	0	143	114	0.3	(32)
Emergency management	(8)	299	264	3	59	10	627	573	2.4	39
Regulatory services	(2,763)	2,154	2,334	25	148	(160)	1,738	1,732	36.6	438
Community facilities and services	(4,798)	4,760	2,810	345	705	(370)	3,451	3,270	43.9	4,948
Airport	(233)	220	128	80	61	(20)	237	180	4.4	1,117
Sea port	0	0	0	0	0	0	0	0	0.0	0
Durie Hill elevator	(29)	113	5	1	11	0	101	67	0.1	9
Transportation	(262)	333	133	81	72	(20)	338	248	4.5	1,126
City Endowment property portfolio	(647)	291	101	0	3	(137)	(390)	(393)	1.3	0
Harbour Endowment property portfolio	(1,442)	1,239	121	17	0	66	0	0	1.5	197
Investments	(339)	259	10	222	0	30	182	161	0.1	3,052
Investments	(2,428)	1,789	231	239	3	(42)	(208)	(232)	2.9	3,248
Governance and democracy	(20)	1,109	542	40	20	0	1,691	1,731	6.9	548
Corporate management	(999)	(4,562)	4,311	156	515	579	0	0	63.2	2,052
Community and operational property	(225)	609	535	21	173	0	1,113	1,048	7.4	287
Corporate	(1,244)	(2,844)	5,388	216	708	579	2,804	2,778	77.5	2,886
Earthquake Strengthening	0	0	0	134	2,000	(1,920)	214	0	0.0	1,920
Earthquake Strengthening	0	0	0	134	2,000	(1,920)	214	0	0.0	1,920
Total	(23,335)	30,965	14,098	7,086	17,816	(2,877)	43,754	40,796	225.8	98,690

*Annual Plan has been restated by \$150,000 in the Water Supply activity relating to the fixed charge portion on metered water being reclassified as a rate

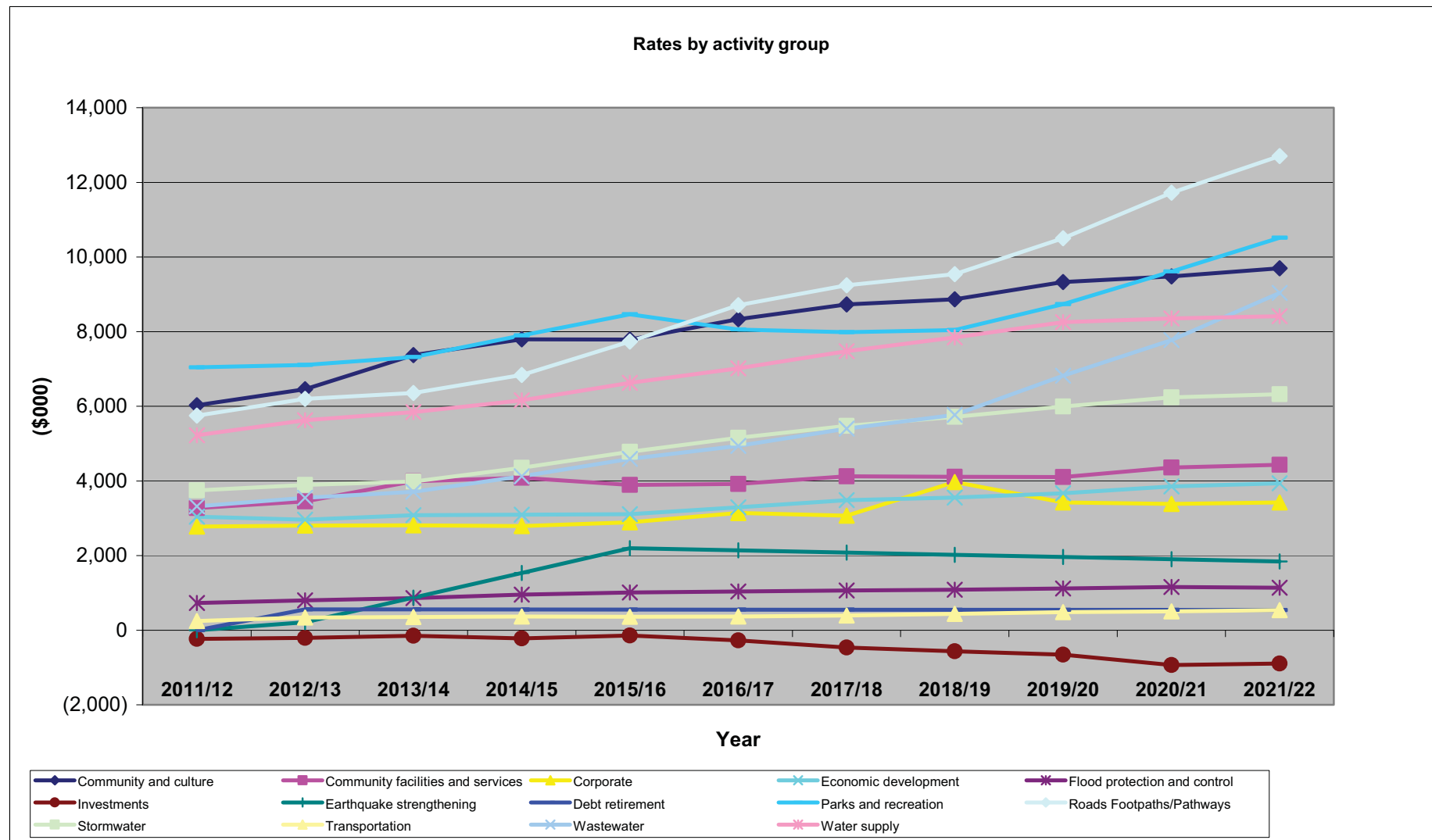
Rates required by activity



Rates, expenditure and debt summary graphs



Rates required by activity



Wanganui today – statistical information

Wanganui District

The Wanganui District is on the south-west coast of the North Island facing the Tasman Sea, south of Taranaki and Ruapehu regions, and north of Manawatu.

This area is known for Maori culture, heritage, and Whanganui National Park and river activities. The district takes its name from the city of Wanganui, which rests on the banks of the Whanganui River.

Wanganui District Council resulted from the 1989 amalgamation of Wanganui County Council, most of Waitotara County Council, a small part of Stratford County Council and Wanganui City Council. The district has an area of 2,373km². Much of the land in Wanganui District is rough hill country surrounding the valley of the Whanganui River. A large proportion of this is within the Whanganui National Park.

All but some 3,800 people in the Wanganui District live in the city itself, meaning there are few prominent outlying settlements.

History

Wanganui region is the third oldest settlement in New Zealand. Its original discovery is attributed to Kupe, New Zealand's legendary discoverer. Tamatea, Captain of the Takitimu Canoe, fully explored the region and soon after, attracted by the Whanganui River, Maori settlers came to the region.

The Whanganui River became an important trade and travel route for settled Maori tribes. They built fishing villages on the banks of the Whanganui tidal estuary and permanent pa sites further up the river.

European involvement did not occur until 1831 when the first Europeans landed at the mouth of the river.

Formal European settlement began in 1841, the borough of Wanganui was formed in 1872 and city status was gained in 1924.

The 79 day occupation of Moutoa Gardens, in protest about disputed land ownership, occurred in 1995.

Wanganui communities

Apart from the main urban area, there are small rural settlements at Kai Iwi, Mowhanau, Fordell, Upokongaro, Maxwell and Mangamahu. Marae based settlements are at Kaiwhaiki, Pungarehu, Parikino, Atene, Koriniti, Matahiwi, Ranana and Jerusalem.

Wanganui has a different ethnic mix compared with the rest of New Zealand. Almost three-quarters (74%) of residents described themselves as European (68% nationally) and 11% as New Zealanders. Maori comprise a considerably larger proportion of Wanganui's residents when compared nationally; 22% in Wanganui versus 15% nationwide. Only 2% of residents identified themselves as Pacific and Asian, less than that recorded nationally (6% and 9%).

The 2006 Census of Population & Dwellings recorded a resident population of 43,636. It is projected that Wanganui's population will decline slightly over the next two decades.

Compared with national averages, the population is slightly older, less ethnically diverse, less well educated and less wealthy.

Wanganui's population is markedly older than average with a median age of 39 years in 2006 compared with 35 years across New Zealand. This results from two main factors: adults aged less than 45 years are under-represented and people aged 60 and over are over-represented.

Language

Speakers of Te Reo equated to almost 7% of Wanganui's population, which is almost twice the national rate of 4%.

Families

In 2006, there were 11,350 families in Wanganui. The distribution of family types here differed from the rest of the country, with comparatively fewer couples with children and more one-parent families (Census of Population & Dwellings, 2006)

Wanganui today – statistical information

Housing

The rate of home ownership in Wanganui is similar to the country as a whole. Just over half (56%) of the district's private households owned their dwelling, while another 12% had their homes in a family trust. Thirty-two percent did not own the dwelling in which they lived. The majority of rental properties (79%) are owned by the private sector, with Housing New Zealand Corporation a distant second at 15%. Wanganui District Council owned almost 6%. The mean weekly rent was \$140 compared with \$225 nationally.

Education

Wanganui residents aged 15 years and over hold fewer qualifications than the rest of New Zealand as a whole. 33% had no educational qualification, which is higher than the 25% recorded nationally. Pleasingly, 26% held post-school certificates or diplomas, higher than for the rest of New Zealand (24%). Just 7% held a Bachelor's degree or the equivalent compared with 11% nationally. A considerably higher proportion of Wanganui District's Maori population had no educational qualifications – 43% for Maori versus 31% for non-Maori.

Wanganui environment

The landscape is relatively simple, consisting of coastal dune-lands, lowland marine terraces and young steeply dissected inland hill country with deeply incised rivers and narrow valleys.

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 290km from the heights of Mt Tongariro to Wanganui's coast with the Tasman Sea, with 239 listed rapids. The river is a taonga to local iwi.

The coastal lowland areas are marine terraces separated by old sea cliffs, resulting from a series of uplifts. Rivers and streams have cut deep valleys into these surfaces. The Whanganui and Whangaehu Rivers and their main tributaries flow in a general southerly direction.

A belt of sand dunes lies along the coast. In places, fossil dunes extend up to 7km inland, overlying parts of the marine terraces and blocking streams

to form a chain of small shallow lakes. Northwest of the city a 45 metre high cliff extends along the coast fronted by a wide sandy beach.

Coastal, terrace and river valley landscapes are largely rural in character, dominated by mainly pastoral farming. Further inland, especially to the northwest, there is a much greater proportion of scrub and forest cover. This indigenous vegetation cover has been retained due to the steepness and erodibility of the slopes in these areas.

Climate

Wanganui is noted for its temperate climate, with few extremes. Average rainfall is 882mm per annum, sunshine 2043 hours per annum, mean annual temperature is 14°C (January:18.2°C, July: 9.4°C), with seven frosts per annum, mean wind speed of 18km/h and three gale days per annum.

The Ministry for the Environment publication entitled "Climate Change and Long Term Council Community Planning" includes a number of predictions about New Zealand's future climate:

- Temperatures will rise on average by 1°C by 2040 and 2°C by 2090
- Rainfall will increase in western areas by up to 5% by 2040 and 10% by 2090. There will be increased seasonality in the rainfall distribution patterns
- Sea levels will rise
- Frosts will decrease
- There will be an increased frequency of high temperatures
- There will be an increase in the frequency of extreme daily rainfalls
- Possible increase in strong winds
- Increases in the severity and frequency of extreme weather events.

Wanganui economy

Manufacturing was the largest industry in Wanganui in 2010, accounting for 14.9% of total GDP. Agriculture, fishing and forestry made the largest contribution to overall growth in Wanganui between 2009 and 2010.

Among broad industries, wholesale and retail trade was the largest employer in Wanganui in 2010, accounting for 16.8% of total employment.

Wanganui today – statistical information

The second largest employer was manufacturing (15%) followed by health and community services (14.5%).

A total of 4109 business units were recorded in Wanganui in 2010 down - 1-3% from a year earlier. The number of business units in New Zealand declined by -1.7% over the same period.

As was the case nationally, two industries stood out in the employment of 15-19 year-olds in Wanganui. In 2006, the retail trade employed 29% of this age group and another 19% were employed in accommodation and food services.

Processing industries contribute 40% of Wanganui's total (BERL Report March 2009).

Rural sector

Wanganui's economy has an agricultural base, mainly sheep, beef and dairy, and has a strong primary processing sector. Wanganui's economic footprint extends well beyond our district boundary, with products and services flowing to and from Wanganui into neighbouring districts and townships.

In 2010 the agriculture and forestry sectors were responsible for 15% of employment, 23% of GDP and 19% of business units in the Wanganui District. (Analysis of primary sectors and their road use, BERL, October 2011).

Wanganui's future – Family-friendly Wanganui

Introduction

Wanganui's Family-friendly Strategy serves as a guide for shaping our future. The strategy is reviewed on a regular basis to keep the community vision on track and to reflect the current environment. To this end, the Council undertook a visioning exercise and review of our Family-friendly Wanganui strategy in July 2011. Prior to the Council workshop a community visioning day 'Creating our Future' was facilitated by the Whanganui Community Foundation. The ideas generated through both those processes have been incorporated into this review.

Community values

The things the community values about Wanganui:

- Sense of community, friendliness and pace of life
- Size and scale make it easy to travel around
- Our environment, the river, the sea, parks and reserves
- Quality services including schools and the hospital
- Character of our built environment, our heritage and the look of the central city.

The community wants more employment opportunities and Wanganui is on the cusp of making this a reality. Ultra fast broadband and other initiatives are the catalyst for things to happen. Wanganui is entering a time of rejuvenation, we are going ahead and we want you to be part of this change to make Wanganui the place of choice to live and build a sustainable business.

What does family-friendly mean?

A family-friendly district is one that caters for the needs of people of all ages. Strong families create strong communities. Our interpretation of family is a modern and inclusive one. One of the aims of the strategy is to halt our population decline and therefore we are aiming to attract families to Wanganui rather than targeting individuals. The strategy shows how the Council will contribute to making Wanganui family-friendly.

Vision

In the year 2022 Wanganui will be realising its potential and the community will be flourishing both economically and socially. Entrepreneurs and innovators will have been attracted, initially by our connectivity and innovative business sector, and sustained through a business-friendly environment. These businesses are contributing to a green, hi-tech, high wage economy and have grown our population and created greater cultural diversity. Our young people are fulfilling their potential through quality schools and training institutions. We are perceived as a progressive place by the nation and locals are proud to call Wanganui home. We have a thriving arts and cultural sector which nurtures a vibrant central city and riverfront. The city embraces our river and our community is strong and resilient. Monitoring of the achievement of these aims will be undertaken on an annual basis via a Family-friendly Strategy Monitoring Report.

Vision statement

Family-friendly Wanganui: the best place to live in New Zealand

- Enjoyed for its lifestyle and sense of community
- Celebrated for its liveability, culture and heritage
- Shaped by our river and environment
- On the path of sustainability and prosperity
- Loved by those who live here

Principle

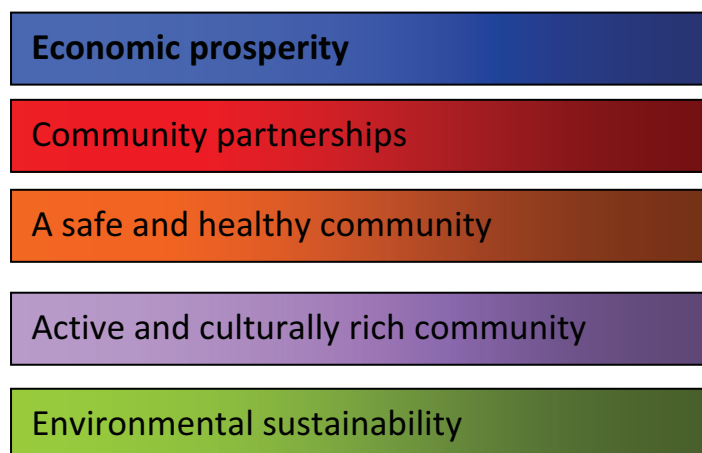
The guiding principle is one of working in partnership with the community

Mission

To partner with the community to create a flourishing and family-friendly environment

Wanganui's future – Family-friendly Wanganui

Themes



Outcomes and strategies

1. Economic prosperity

- 1.1. To partner with business and industry to facilitate economic growth
- 1.2. To ensure infrastructure meets the needs of current users and future development
- 1.3. To facilitate the provision of enhanced communication networks and enable efficient movement of people and goods
- 1.4. To enable residents to achieve success through life-long learning opportunities
- 1.5. To promote and market Wanganui to attract visitors and businesses and instil pride in our community
- 1.6. To support initiatives and events which benefit the community and economic wellbeing
- 1.7. To ensure the city environment is visually attractive with quality urban design

2. Community partnerships

- 2.1. To effectively lead and govern in consultation with the community
- 2.2. To prepare the community for, and support each other during, emergency events
- 2.3. To ensure we are connected to each other, New Zealand and the world
- 2.4. To partner with the community on initiatives which benefit the community and social wellbeing
- 2.5. To partner with other agencies to improve outcomes for children and young people
- 2.6. To partner with other agencies and value older people in our community
- 2.7. To partner with Iwi to continue to build strong relationships
- 2.8. To encourage ethnic diversity and support new immigrants

3. A safe and healthy community

- 3.1. To continue to work collaboratively to ensure a safer community
- 3.2. To provide a safe transportation network that meets the needs of all users
- 3.3. To set standards for social behaviour to avoid nuisance
- 3.4. To improve people's health, safety and welfare through provision of regulatory activities, water and other services
- 3.5. To support and collaborate with the health services to retain access to trusted health services

4. Active and culturally rich community

- 4.1. To enable active and healthy lifestyles through the provision of sporting and recreational facilities
- 4.2. To develop a vibrant central city and riverfront for the enjoyment of the community
- 4.3. To support and promote our vibrant arts community
- 4.4. To value and reflect our cultural heritage
- 4.5. To provide cultural facilities to support cultural wellbeing
- 4.6. To provide education, literacy and self-improvement opportunities

Wanganui's future – Family-friendly Wanganui

5. Environmental sustainability

- 5.1. To minimise the impact of waste on the environment
- 5.2. To protect and enhance our natural assets including the River and coastline
- 5.3. To enhance the liveability of our built environment
- 5.4. To advance environmentally sustainable practices and green technologies

Wanganui's future – Family-friendly Wanganui

Council's contribution to the family-friendly strategy and achievement of our vision

The key projects planned over the next 10 years will contribute towards our vision for Wanganui. The Council intends to work in partnership with the community to achieve our vision. Initiatives are aimed at growing our economic prosperity and taking advantage of the digital opportunities before us. Programmes for youth and support for all sectors of the community are provided. There continues to be a focus on improving Wanganui's image and promoting Wanganui as a great place to live and visit. Further enhancement of the riverfront and CBD is planned. Work needs to be undertaken to enable our community to come to grips with the earthquake risks we face and the potential impact that will have on our built heritage and economy and to ensure our community is strong and resilient.

These initiatives link to our commitment to support the four wellbeings. These are denoted as follows:

Economic:



Cultural:



Social:



Environmental:



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 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.

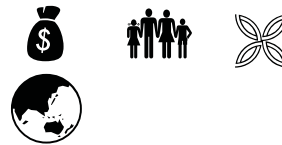
Cultural wellbeing: relates to the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies, heritage and sports.

Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
Economic prosperity <ul style="list-style-type: none"> To partner with business and industry to facilitate economic growth To ensure infrastructure meets 	Parks and recreation Community cultural and	Parks and recreation Swimming pools Community development Library Sarjeant Gallery	<ul style="list-style-type: none"> Digital Communities Group - ensuring all Wanganui people have the resources, ability and interest to be active digital-citizens Wanganui Digital Leaders Forum - facilitating the deployment and use of ultra fast broadband in Wanganui in 	


Wanganui's future – Family-friendly Wanganui

Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
<p>the needs of current users and future development</p> <ul style="list-style-type: none"> To facilitate the provision of enhanced communication networks and enable efficient movement of people and goods To enable residents to achieve success through lifelong learning opportunities To promote and market Wanganui to attract visitors and businesses and instil pride in our community To support initiatives and events which benefit the community and economic wellbeing To ensure the city environment is visually attractive with quality urban design 	<p>Economic development</p> <p>Community facilities and services Transportation</p> <p>Water supply</p> <p>Roads, footpaths and pathways</p> <p>Investments</p> <p>Corporate</p>	<p>Royal Wanganui Opera House War Memorial Hall – Conference and Convention Centre</p> <p>Economic development CBD maintenance</p> <p>Regulatory services CBD parking Airport Seaport Durie Hill elevator</p> <p>Water supply</p> <p>Roading Footpaths and berms</p> <p>Investments</p> <p>Community and operational property</p>	<p>order to seize the associated economic and social benefits (as well as funding of a dedicated resource to realise digital opportunities)</p> <ul style="list-style-type: none"> Literacy programmes Exhibitions and shows Improving conferencing facilities at the War Memorial Centre Implementing the Economic Development Strategy Supporting INTRANZ Trades Training Implementing the Visitor Strategy Marketing and promotion of Wanganui Business clusters Development of Electronic Media Strategy Exploring business development initiatives at the airport and ensuring Wanganui remains part of the national air network Investigation of future development options for the Seaport Enhancements to Durie Hill elevator ride smoothness River Road sealing works Refreshing the CBD streetscape Working with the Guyton Group on the Guyton Street enhancement proposal 	


Wanganui's future – Family-friendly Wanganui

Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
Community partnerships <ul style="list-style-type: none"> To effectively lead and govern in consultation with the community To prepare the community for, and support each other during, emergency events To ensure we are connected to each other, New Zealand and the world To partner with the community on initiatives which benefit the community and social wellbeing To partner with other agencies to improve outcomes for children and young people To partner with other agencies and value older people in our community To partner with Iwi to continue to build strong relationships To encourage ethnic diversity 	Community and cultural Economic development Community facilities and services Transportation Corporate	Community development Library Sarjeant Gallery Economic development Pensioner housing Community buildings Emergency management Airport Governance Corporate management	<ul style="list-style-type: none"> Greater focus on developing and formalising community partnerships Continuing to develop relationships with Iwi Community Taskforce on Youth Wellbeing and For Our Kids Safer Wanganui – working with community stakeholders on the Wanganui Safety Plan Digital initiatives (e.g. Computers in Homes, Aotearoa People's Network Kaharoa and Computer Clubhouse) Provision of Fundview and Breakout database access Community Contract funding Positive Ageing Forum Working with communities to develop other community hubs like at Gonville Development of plans for Davis Library redevelopment Working with the LEAN Wanganui group Working with our business partners Community Taskforce for Earthquake issues Working with the Crown our Joint Venture partner at the airport Working with Horizons Regional Council Continuing to investigate shared services opportunities with other local authorities 	


Wanganui's future – Family-friendly Wanganui

Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
and support new immigrants			<ul style="list-style-type: none"> Use of enhanced community consultation methods and social media 	
A safe and healthy community <ul style="list-style-type: none"> To continue to work collaboratively to ensure a safer community To provide a safe transportation network that meets the needs of all users To set standards for social behaviour to avoid nuisance To improve people's health, safety and welfare through provision of regulatory activities, water and other services To support and collaborate with the health services to retain access to trusted health services 	Parks and recreation Community cultural and Economic development Community facilities and services Transportation Water supply Stormwater Flood protection and control Wastewater	Parks and recreation Swimming pools Community development Library CBD maintenance Cemeteries Waste minimisation Pensioner housing Emergency management Regulatory services CBD parking Airport Seaport Durie Hill elevator Water supply Stormwater Waterways and natural drainage Wastewater	<ul style="list-style-type: none"> CCTV cameras Aramoho cemetery extension and introduction of natural burials Pensioner Housing review District Plan review Hillside stability studies New Water bore Replacement of No. 1 reservoir Replacement of balustrades at Bastia Tower Connection of the airport water supply to the city supply Replacement of parts of Castlecliff main Stormwater investigations for the Churton Creek catchment Completion of the wastewater separation programme Air quality analyser for the wastewater treatment plant Parking Strategy implementation Implementation of the Wanganui Urban Transportation Strategy Heads Road roundabout Earthquake risk assessment and investigation of options Participation in the insulation refits community project Replacement and upgrade of emergency radio telephones 	

Wanganui's future – Family-friendly Wanganui

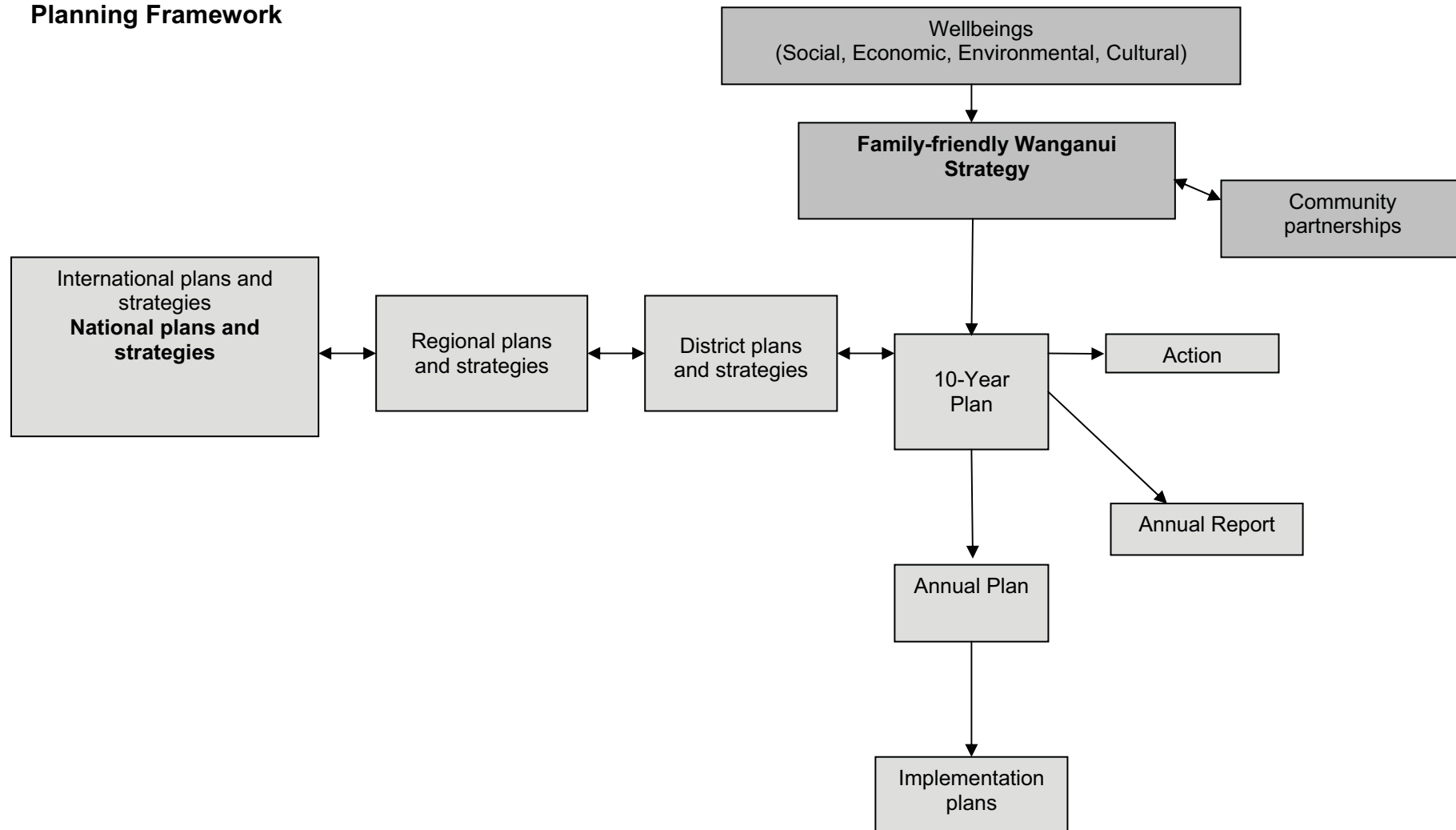
Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
	Roads, footpaths and pathways Corporate	Roading Footpaths and berms Community and operational property	<ul style="list-style-type: none"> Replacement of the airport electrical supply panel 	
<ul style="list-style-type: none"> An active and culturally rich community To enable active and healthy lifestyles through the provision of sporting and recreational facilities To develop a vibrant central city and riverfront for the enjoyment of the community To support and promote our vibrant arts community To value and reflect our cultural heritage To provide cultural facilities to support cultural wellbeing To provide education, literacy and self improvement opportunities 	Parks and recreation Community and cultural Economic development Community facilities and services Transportation Corporate	Parks and recreation Swimming pools Community development Library Sarjeant Gallery Royal Wanganui Opera House War Memorial Hall – Conference and Convention Centre Economic development CBD maintenance Cemeteries Regulatory services Seaport Community and operational property	<ul style="list-style-type: none"> Shared pathway from Aramoho rail bridge to Upokongaro New Splash Centre play facilities Riverfront enhancement Support iconic events such as Whanganui Puanga/Matariki Festival, Wanganui Open Artists studios, Wanganui Literary Festival and other cultural events Provide the community with access to art of national and international significance Sarjeant Gallery redevelopment Support for the Wanganui Glass School Public art Development of the Cemetery Records database 	

Wanganui's future – Family-friendly Wanganui

Family-friendly Wanganui Strategy	Groups of activities	Activities that primarily contribute to the family-friendly strategy	Key programmes, projects and initiatives over the next ten years	Links to wellbeings
Environmental sustainability <ul style="list-style-type: none"> To minimise the impact of waste on the environment To protect and enhance our natural assets including the River and coastline To enhance the liveability of our built environment To advance environmentally sustainable practices and green technologies 	<p>Community facilities and services</p> <p>Stormwater</p> <p>Flood protection and control</p> <p>Wastewater</p>	<p>Cemeteries Waste minimisation Regulatory services</p> <p>Stormwater</p> <p>Waterways and natural drainage</p> <p>Wastewater</p>	<ul style="list-style-type: none"> Resource Recovery Centre District Plan review Coastal Reserves Management Plan 	

Wanganui's future – Family-friendly Wanganui

Planning Framework



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 of 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:

- Council's investment properties
- Wanganui District Councils' Forestry Joint Committee
- Wanganui Airport Joint Venture (WAJV)
- Wanganui Gas Limited
- Inland Port/Sea Port
- Wanganui Inc (WINC)
- Quarrying.

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.

Company objectives

The Board intends to operate as a successful business in relation to its investments and 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 the Act, WAJV is classified as a CCO.

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

Council controlled organisations

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 services and infrastructure is subsequently intended to support activity, business and employment.

Key performance targets

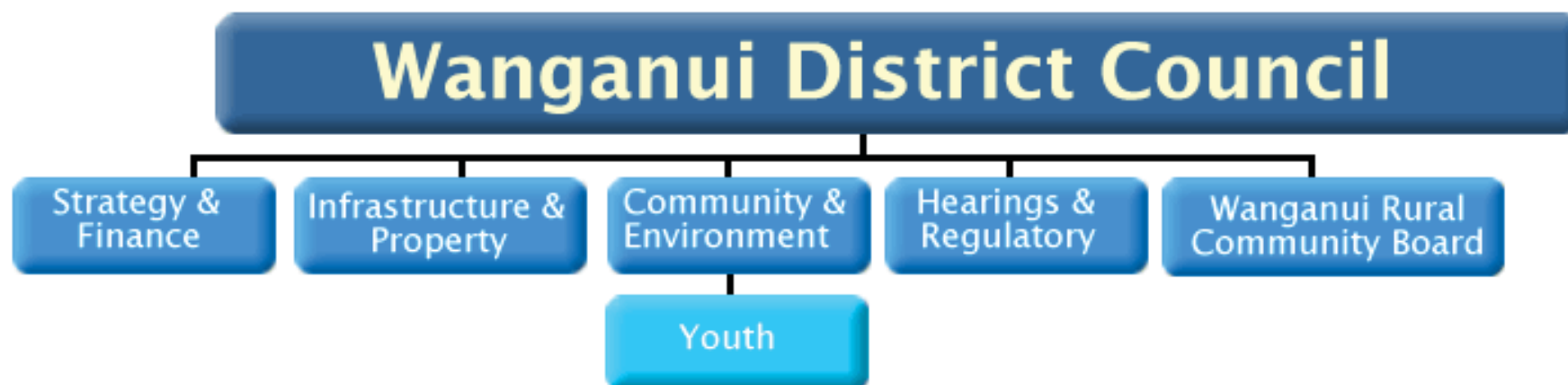
The Board's forecast performance targets for the next three years are:

- Reduction of the current loss position to 'break even' or to a level acceptable to the partners in 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 an activity plan and subsequent achievement of the individual targets outlined within that plan.

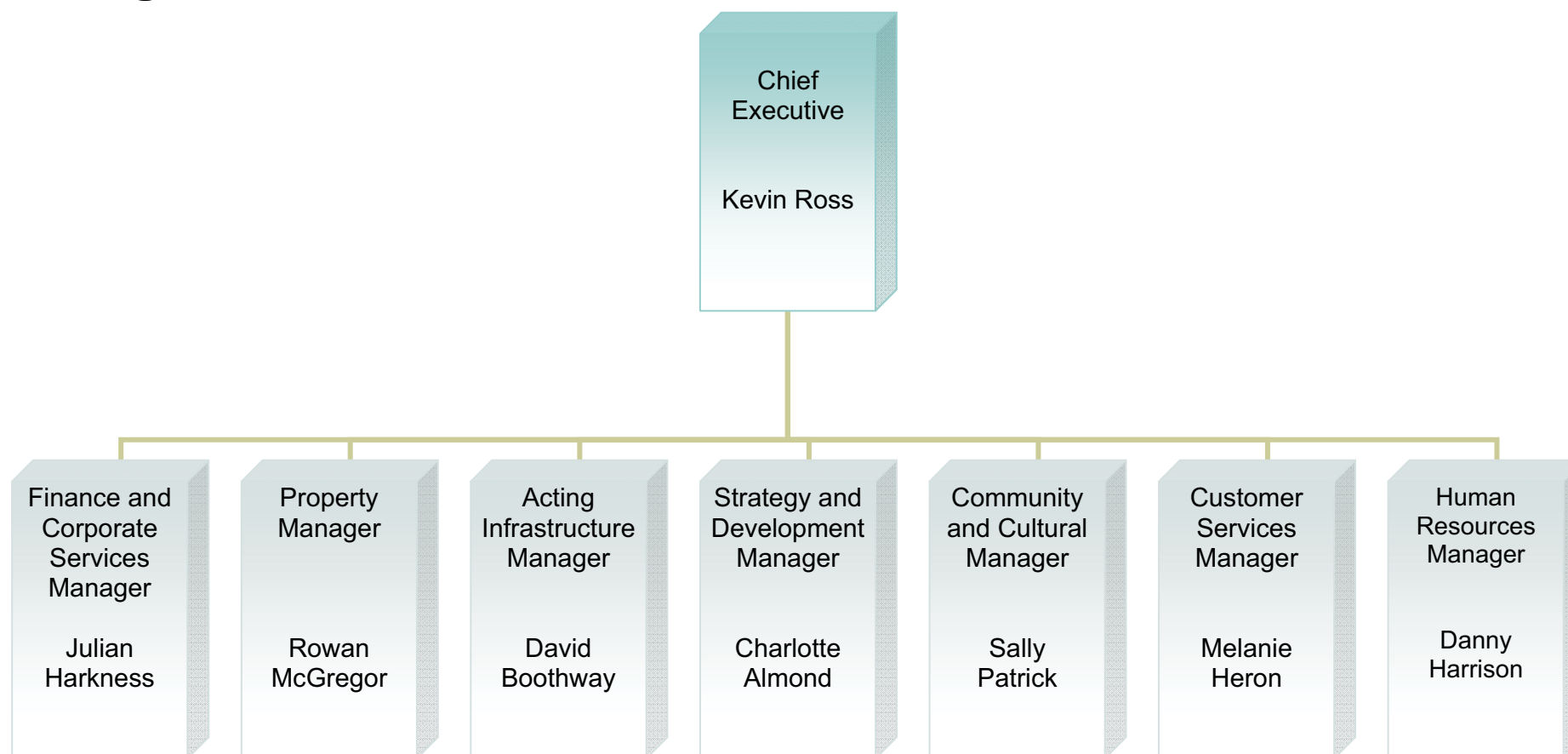
Council policies and objectives relating to CCOs

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

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 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.

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. These fees and charges are applicable from 1 July 2012. All amounts include GST unless otherwise stated.

Resource consents

Activity type	Fixed charge	Deposit
Simple land use consents	\$575.00	\$575.00
Non notified land use consents	Actual cost at hourly rate	\$1000.00
Limited notified land use consents	Actual cost at hourly rate	\$1560.00
Notified land use consents	Actual cost at hourly rate	\$2470.00
Simple subdivision consents	\$900.00	\$900.00
Non notified subdivision consents (controlled activity)	Actual cost at hourly rate	\$1200.00
Non notified subdivision consents (other than controlled activity)	Actual cost at hourly rate	\$1400.00
Notified subdivision consents	Actual costs at hourly rate	\$2700.00
Certificates of compliance and applications for ROW (s348)	Actual costs at hourly rate	\$420.00
Existing use certificates	Actual costs at hourly rate	\$715.00
Outline plan of works	\$800.00	\$800.00
Waiver for requirement for outline plan of works	Actual costs at hourly rate	
Overseas investment certificate	Actual costs at hourly rate	
Hearings for resource consents	Actual costs at hourly rate plus disbursements	

Activity type	Fixed charge	Note/Deposit
Monitoring of non-notified and notified land use consents	Actual cost at hourly rate per consent for inspections plus cost of monitoring officer time spent on compliance including site visits	Please note that all land use consent deposits include 1 hour of officer time for monitoring

Variation to conditions (s127 and 221 – subdivision and land use)	Actual cost at hourly rate	Variation s127 and s221 \$700.00
s128 review if requested by the consent holder	Actual cost at hourly rate	
Extensions of time (s125)	Actual cost at hourly rate	\$500.00
Relocated dwellings bond		Cash bond assessed at time of application plus \$90.00 administration fee
Cancellation of building line restrictions or adjustment of easements	Actual cost at hourly rate	
Subdivision certificates (s223, s224 and s226)	Actual cost at hourly rate including officer time spent on compliance including site visits	s223 only \$130.00 s224 only \$260.00 s223 and s224 jointly \$330.00

Notes

The fixed charges do not include other charges that may be imposed under the Resource Management Act 1991 or other legislation, such as:

- Additional charges;
- Bonds;
- Monitoring and supervision charges expressly provided for in a resource consent;
- Development contributions.

If at any time Council exceeds the statutory timeframes for processing a resource consent then Council will refund 1% of costs per day that the timeframe was exceeded as per the discount provisions of the Resource Management Act 1991.

Fees and charges

If the fixed charges are not sufficient to meet the Council's actual and reasonable costs then additional charges may be payable in accordance with the attached schedule of additional charges.

The Council will finally fix its fees including:

- Charging the fixed charge or part thereof;
- Charging the fixed charge and additional charges under section 36(3) having regard to the following criteria in section 36(4).

Fees methodology:

Land use and subdivision consents have been based on an average cost of consents issued. Deposits have been set at 75% of the average fee and fixed charges at 100% of the average fee. Final charges will be charged at staff hourly rates, technical officer or consultant time and any standard fees applicable.

Simple consents apply to:

- Land use applications for breaches to the 10 metre setback or height recession plane rules, where no other breaches of the District Plan occur.
- Subdivision applications for boundary adjustments or cross lease to fee simple where no other breaches of the District Plan occur.

Monitoring and inspection charges are based on staff hourly rates to complete, with one hour of monitoring taken in at the deposit stage of land use consents.

SCHEDULE OF ADDITIONAL CHARGES

The following schedule of charges shall form the basis for calculating any additional charges under section 36(3) in the event that the fixed charges are not sufficient to cover the Council's actual and reasonable costs.

Consultant Charges

Consultants and solicitors fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice where a consent involves creating legal instruments) shall be at cost plus disbursement.

Charges for hearings – hearings for all applications shall be at cost of officer's time per hour rates listed below.

Production of order papers shall be at cost plus disbursements.

Council officer hourly rates

The following hourly rates for Council officers and decision makers will be charged for the processing of consents, hearings etc that do not have a fixed charge or where the fixed charge is inadequate to cover the actual and reasonable costs of the Council.

Council officer	Rate per hour
Senior Resource Management Planner / Senior Policy Planner	\$150.00
Resource Management Planner / Policy Planner	\$130.00
Graduate Planner / Graduate Policy Planner	\$100.00
Commissioner	At cost plus disbursements
Hearing Committee Chair and Members	At cost plus disbursements
Administration	\$90.00
Technical Council officer	\$130.00

Policy / Planning fees and charges

Resource management planning services fees and charges listed below are imposed under the Resource Management Act 1991 to recover the cost to Council for processing applications to designate land and make privately initiated changes to the District Plan.

Section 36 of the Resource Management Act 1991 enables the Council to charge additional fees to recover actual and reasonable costs when the fixed fee is inadequate. Notices of requirement and private plan changes vary in degree of complexity and scope. This means that applications shall be charged at actual cost when reasonable. Consultants and solicitors fees associated with all work types are also included (see schedule of additional charges below). There may be times where Council refunds part

Fees and charges

of the fee at its discretion if the work required processing the application is minimal.

The deposits specified in the tables below are required up front and no action will be taken in accordance with s36(7) until paid. That does not mean that the Council is required to complete the activity upon payment of the deposit. The costs incurred will be monitored and additional amounts up to the total of the fixed charge may be required. Then additional charges may also be required before completion of the task if the fixed charges are inadequate to cover the Council's actual and reasonable costs.

Activity type	Fixed charge	Deposit
Notices of requirement	Actual cost at hourly rate	\$2000.00
Amendments to notices of requirement	Actual cost at hourly rate	\$1000.00
Private plan change requests	Actual cost at hourly rate	\$5000.00

Note

The fees and charges apply to applications:

- Relating to a notice of requirement or amendments to or cancellations of a notice of requirement pursuant to s168, s168A, s181, and s182 of the Resource Management Act 1991, but not applications subject to s170 or clause 4 of the First Schedule which shall be processed at no cost to the requiring authority;
- For private plan changes accepted pursuant to Clause 25(2)(b) of the First Schedule, but not private plan changes adopted pursuant to Clause 25(2)(a) of the First Schedule, unless a specific agreement for cost sharing is entered into by the person/s requesting the plan change and the Council.

Land information memorandum

Type	Amount
Residential/Rural	\$143.00
Commercial	Actual costs with an initial deposit of \$150.00

Type	Amount
Urgent LIM (less than 75 hours)	Incurs an additional cost of \$143.00
LIM site inspections	
Residential	\$133.00
Commercial/Rural	Actual costs with an initial deposit of \$65.00
Certificate of compliance for liquor licensed premises administration charge	\$120.00

Infrastructure

Urban and settlement connection fees	
Connection	Amount
Water (20mm nominal diameter MDPE)	\$775.00
Stormwater (to kerb)	\$510.00
Wastewater (100mm dia to limit of 20m)	\$3065.00
Plumbing and drainage only building consent for stormwater separation	\$85.00

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

Rural connection fees – water		
Connection	Amount (ex GST)	Capital contribution (ex GST)
Fordell – residential	Actual cost	\$2200.00
Fordell – rural	Actual cost	\$77.00 per ha
Fordell – dairy	Actual cost	\$77.00 per ha
Maxwell – domestic	Actual cost	-
Maxwell – rural	Actual cost	-
Maxwell – dairy	Actual cost	-
Maxwell – horticulture	Actual cost	-

Fees and charges

Westmere – domestic	Actual cost + \$1000.00	-
Westmere – rural	Actual cost + \$1000.00	-
Westmere – rural, calf rearing	Actual cost + \$1000.00	-
Westmere – dairy	Actual cost + \$1000.00	-
Westmere – horticulture	Actual cost + \$1000.00	-

Rural connection fees – wastewater		
Connection	Amount (ex GST)	Capital contribution
Marybank	\$888.89	Included
Mowhanau	\$3000.00	Included

Liquor licensing

The Liquor license fees are set by ss29 of the Sale of Liquor Act Regulations 1990.

Type	Amount
On/off/club licences and renewals	\$793.24
BYO licences	\$134.93
Special licences	\$64.40
Temporary authorities (transitional)	\$134.93
Managers certificates – General and Club Managers	\$134.93

Parking

Parking charges	Amount
Victoria Avenue parking	\$2.00 per hour
Long term parking	\$20.00 per week

All other meters are between \$0.50 and \$1.00 per hour. Car parks are \$3.00 per day.

Airport

Airport landing charges			
General aviation aircraft not using the terminal (deemed to be under 5001kg)			
Maximum certified take-off weight (MCTOW) kg	Daily minimum	Cash or quarterly prepay discount	
0-600 and helicopters	\$5.75	\$5.00	
601-1500	\$11.50	\$10.00	
1501-3000	\$17.25	\$15.00	
3001-4500	\$23.00	\$20.00	
4501-5000	\$28.75	\$25.00	
<ul 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:			
<ul 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			
It is assumed that aircraft larger than 5000kg will use the sealed runway and terminal facilities. 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 (ex GST)	Terminal charge per PAX assuming a 70% load factor (ex GST)	Total landing fee (ex GST)
5001-8000	\$0.00462	\$2.47	Sum of landing and terminal charges

Fees and charges

8001-11000	\$0.00421	\$2.47	As above
11001-14000	\$0.00400	\$2.47	As above
14001-17000	\$0.00387	\$2.47	As above
17001-20000	\$0.00378	\$2.47	As above
Over 20000	\$0.00320	\$2.47	As above
Parking charge			
Secure parking charge	\$10.00 per 24 hour period		

Building consents

Council sets its building consent fees as actual and reasonable costs for the service. These are set by Council pursuant to s219 of the Building Act 2004 and s150 of the Local Government Act 2002.

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 and 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	\$50.00
PD only	Stormwater separation	\$85.00
1V	Vehicle crossings	\$90.00
2V	Valve vented cylinders	\$280.00
1H	Inbuilt solid fuel heaters	\$320.00
2H	Free standing solid fuel heaters	\$260.00
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 of 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 plus BRANZ and Department of Building and Housing (DBH) levies payable for any work valued at \$20000 and over. The levy rate is: BRANZ – \$1.00 per \$1000; DBH – \$2.01 per \$1000.

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.

Fee estimates

Project	Type	Deposit	Estimated consent issue fee
The deposit is payable at time of application. Deposit includes administration and processing costs.			
New residential dwellings			
3C	\$0 to \$100,000	\$800.00	\$1,290.00
4C	\$100,000 to \$200,000	\$1,125.00	\$1,735.00
5C	Above \$200,000	\$1,255.00	\$2,050.00

Fees and charges

Residential additions, alterations and relocations			
1A	Ancillary Building Work (1 inspection)	\$260.00	\$130.00
2A	Minor Building Work (2 inspections)	\$410.00	\$260.00
2B	\$0 to \$20,000	\$475.00	\$425.00
1C	\$20,000 to \$50,000	\$605.00	\$705.00
2C	Above \$50,000	\$800.00	\$1,210.00
Commercial buildings			
2B	Minor building work up to \$20,000	\$475.00	At cost
1D	\$20,000 to \$50,000	\$540.00	At cost
2D	\$50,000 to \$100,000	\$735.00	At cost
3D/4D	\$100,000 to \$200,000	\$930.00	At cost
1E	\$200,000 to \$500,000	\$1,190.00	At cost
2E	\$500,000 to \$1M	\$1,255.00	At cost
3E	Over \$1M	\$2,165.00	At cost
Ancillary projects			
1S	Solar, HW Heating, minor P&D	\$215.00	\$130.00
3A	Fire reinstatement	\$585.00	\$380.00
1F	Farm buildings	\$410.00	At cost
PIM	Project information memorandum	\$325.00	At cost

General charges	
Independent Qualified Persons (IQP) registrations	\$133.00 plus \$20.00 per feature
Independent Qualified Persons (IQP) two yearly renewal	\$133.00
Certificate of Acceptance	\$260.00 deposit plus actual costs

Certificate for Public Use	\$260.00 deposit plus actual costs
<p>Unscheduled building, plumbing and drainage inspections. Such inspections will include but are not limited to:</p> <ul style="list-style-type: none"> Requested inspections of existing buildings Inspections of unauthorised work (plus a Certificate of Acceptance Fee of \$260) 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 \$260) 	\$133.00 per hour
Compliance schedule – issue fee	\$133.00 and \$20 per feature
Compliance schedule – alteration or amendment fee	\$100.00
Building Warrant of Fitness annual fee	\$133.00
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

Fees and charges

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

Activity	Development contribution per HEU (ex GST) urban	Development contribution per HEU (ex GST) rural
Roading	\$1441.00	\$249.00
Stormwater	\$87.00	
Wastewater	\$625.00	
Water*	\$819.00	
Total	\$2972.00	\$249.00
*The water charge also applies to developments in Westmere, where specific growth related works are planned or have recently been carried out.		
These charges may have been paid in conjunction with the initial subdivision of your property. Please check with Council staff. In all instances the second and any subsequent dwellings erected on existing titles will also be charged the levy.		

Health registration

Health registration fees
Inspection charge out fees are \$110.50 per hour (or part thereof) for the following services:
<ul style="list-style-type: none"> Food premises Hairdressers

- Offensive trades
- Hawkers
- Mobile shops
- Camping grounds
- Funeral directors

Registration fees are a flat fee of \$110.50 per year

Dog control

Activity type	Non-working dogs	Cost (including GST)
Full fee	Before any rebates for first three dogs	\$105.00
Prompt payment rebate	Registration paid on or before 31 July	\$10.00
Neutered / spayed rebate	Vet certificate or receipt required as proof	\$25.00
Good dog rebate	No justified complaints over the last registration year	\$20.00
Multi-dog rebate	For the fourth and subsequent non-working dog with one owner	\$10.00
Activity type	Working dogs	Cost (including GST)
Full fee	Before any rebates for first three dogs	\$35.00
Prompt payment rebate	Registration paid on or before 31 July	\$10.00
Multi-working dog rebate	For the fourth and subsequent working	\$10.00
Activity type	Impounding fees	Cost (including GST)
First impounding	Registered dog	\$50.00
First impounding	Unregistered dog	\$150.00
Second and subsequent impounding		\$150.00

Fees and charges

Sustenance fee	Daily fee	\$15.00
Activity type	Other fees	Cost (including GST)
Microchipping fee		\$20.00
Sale of dog fee	Plus any other relevant charges	\$30.00
Boarding fee	With own food supplied	\$10.00
Boarding fee	Without own food supplied	\$15.00

Cemeteries

Service	Day	Fee	Perpetual maintenance
Burials			
Adult interments	Weekday	\$677.00	
	Saturday morning	\$789.00	
Children (under 15 years)		\$0	
Stillborn		\$0	
Burials at Matarawa, Brunswick and Maxwell (plus travel costs)		\$677.00	
Extra depth over 1.8 metres		\$113.00	
Disinterment		\$902.00	
Funerals extending after 4.00pm or noon Saturday		At cost	
Overtime incurred outside normal hours		At cost	
Cremations			
Adults (includes plastic urn)	Weekday	\$591.00	
	Saturday morning	\$698.00	
Children (under 15 years)		\$0	
Stillborn		\$0	
Cremation of indigent person		\$113.00	
Medical referee's fee		\$37.00	
Burial of ashes		\$226.00	

Purchase of plots			
Burial plot (adult plot, all cemeteries)		\$902.00	\$226.00
Burial plot (stillborn with monument/ children's plots)		\$451.00	\$113.00
Rose spaces, niches and cremation plots		\$451.00	\$113.00
Servicemen burial plot fee		\$0	
Servicemen cremation plot fee		\$0	
RSA			
Burials (includes \$59 permit)		\$736.00	
Cremation (includes \$59 permit)		\$650.00	
Interment – ashes (includes \$59 permit)		\$396.00	
Other			
Permit fee for erecting monuments or headstones		\$59.00	
Permits for Rose Gardens (head stones)		\$59.00	
Book of remembrance entry		\$102.00	
Use of chapel for services		\$59.00	
Genealogical research per hour (after first hour)		\$59.00	
Niche wall/ Memorial wall		\$269.00	

These prices do not include funeral directors costs.

As rates fund 25% cost of the cemetery, Council may impose a surcharge of 25% for out of town services

Out-of-town surcharge

Burial	\$847.00
Cremations	\$739.00
Ash interments	\$283.00
Memorial plaques	\$337.00

Natural Burials - PN: Cost has not yet been set.

Prospective financial information

Assumptions
Capital expenditure – acquisitions
Capital expenditure – replacements
Funding impact statement
Prospective statement of comprehensive income
Prospective statement of financial position
Prospective statement of cash flows
Prospective statement of changes in equity
Prospective statement of reserve funds

Assumptions

Significant forecasting assumptions and risks

Schedule 10, section 17, 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 2012-2022. 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 2012-2022 is underpinned by the assumptions that the Council reasonably expected to occur as at 30 June 2012. 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: 2012/13 0% 2013/14 3.2% 2014/15 3.2% 2015/16 3.2% 2016/17 3.2% 2017/18 3.2% 2018/19 3.1% 2019/20 3.1% 2020/21 3.4% 2021/22 3.4%				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 7.25% per annum in 2012/13 and 7% from 2013/14 onwards. 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.
Interest rate risk management – Council continues to manage interest rate risk with a neutral effect.	Interest rates move in a negative manner and the Council's instruments have no value.	Medium	Medium	The recent global financial crisis displayed the potential turbulence of the financial markets. Council's instruments are marked to market annually and a non-cash gain or loss is recorded in Council's Annual Report.
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.

Assumptions

Forecasting assumptions	Risk	Likelihood of risk occurrence	Financial materiality	Reasons and financial effect of uncertainty
				<p>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 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 the extent to which 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.	Medium	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>

Assumptions

<p>Forecast return on investments – Council has forecast the following returns for significant investments.</p> <p><u>Forestry dividends</u></p> <table><tr><td>2012/13</td><td>\$0</td></tr><tr><td>2013/14</td><td>\$0</td></tr><tr><td>2014/15</td><td>\$100,000</td></tr><tr><td>2015/16</td><td>\$0</td></tr><tr><td>2016/17</td><td>\$0</td></tr><tr><td>2017/18</td><td>\$0</td></tr><tr><td>2018/19</td><td>\$0</td></tr><tr><td>2019/20</td><td>\$0</td></tr><tr><td>2020/21</td><td>\$700,000</td></tr><tr><td>2021/22</td><td>\$0</td></tr></table>	2012/13	\$0	2013/14	\$0	2014/15	\$100,000	2015/16	\$0	2016/17	\$0	2017/18	\$0	2018/19	\$0	2019/20	\$0	2020/21	\$700,000	2021/22	\$0	That Council will not achieve the forecast rates of return.	High	Medium	<p>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 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 per ratepayer based on 20,000 ratepayers.</p>
2012/13	\$0																							
2013/14	\$0																							
2014/15	\$100,000																							
2015/16	\$0																							
2016/17	\$0																							
2017/18	\$0																							
2018/19	\$0																							
2019/20	\$0																							
2020/21	\$700,000																							
2021/22	\$0																							
<p><u>Wanganui District Council Holdings Limited dividends</u></p> <table><tr><td>2012/13</td><td>\$0</td></tr><tr><td>2013/14</td><td>\$0</td></tr><tr><td>2014/15</td><td>\$0</td></tr><tr><td>2015/16</td><td>\$0</td></tr><tr><td>2016/17</td><td>\$1M</td></tr><tr><td>2017/18</td><td>\$1M</td></tr><tr><td>2018/19</td><td>\$1M</td></tr><tr><td>2019/20</td><td>\$1M</td></tr><tr><td>2020/21</td><td>\$1M</td></tr><tr><td>2021/22</td><td>\$1M</td></tr></table>	2012/13	\$0	2013/14	\$0	2014/15	\$0	2015/16	\$0	2016/17	\$1M	2017/18	\$1M	2018/19	\$1M	2019/20	\$1M	2020/21	\$1M	2021/22	\$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 based on 20,000 ratepayers.</p>
2012/13	\$0																							
2013/14	\$0																							
2014/15	\$0																							
2015/16	\$0																							
2016/17	\$1M																							
2017/18	\$1M																							
2018/19	\$1M																							
2019/20	\$1M																							
2020/21	\$1M																							
2021/22	\$1M																							
<p>Funding sources – Sources of funds for future replacement of significant assets. Refer to Revenue and financing policy on page 103.</p>	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>																				

Assumptions

				<p>Some price increases may affect the demand for services and adversely impact on Council forecast user charge income.</p> <p>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.</p>
<p>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 174.</p>	<p>That assets wear out earlier than estimated.</p>	<p>Low</p>	<p>Low</p>	<p>Asset life is based upon estimates of engineers and valuers.</p> <p>Asset replacements - Capital projects could be brought forward in the 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>
<p>Revaluation of non-current assets – From time to time we revalue our assets to understand how much they are worth. Through our planning, we make assumptions about how much we think the assets will be worth when they are</p>	<p>There may be a big difference between how much we thought the asset would be worth and how much it is actually revalued at.</p>	<p>Low</p>	<p>Low</p>	<p>This may be due to better information about the asset being available.</p>

Assumptions

revalued. Council has used the BERL forecasts of price level change adjusters for each year of the plan. The following rates have been applied to the appropriate asset types:				
Year applied	Water			
2013/14	8.9%			
2016/17	11.5%			
2019/20	11.2%			
Year applied	Buildings			
2012/13	3.9%			
2015/16	9.1%			
2018/19	9.2%			
2021/22	9.4%			
Year applied	Roading			
2014/15	11.6%			
2017/18	9.9%			
2020/21	10.8%			
Year applied	Investment properties			
2012/13	3.9%			
2013/14	3.0%			
2014/15	2.9%			
2015/16	2.9%			
2016/17	3.0%			
2017/18	3.1%			
2018/19	2.8%			
2019/20	2.8%			
2020/21	3.0%			
2021/22	3.3%			

Assumptions

<p>Depreciation on planned asset acquisitions – The following average depreciation rates have been used for planned asset acquisition:</p> <p>Infrastructure 1.75% Buildings & improvements 2% Other fixed assets 5%</p>	<p>That more detailed analysis of completed capital works may alter the depreciation expense.</p>	Low	Low	<p>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.</p>
<p>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>	<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>
<p>Potential climate change impacts Wanganui can expect –</p> <ul style="list-style-type: none"> • Average temperatures to rise by 1°C by year 2040 and 2°C by year 2090. • Wetter conditions with average precipitation up by 10% by year 2090 • Between 50cm and 80cm sea level rise by 2090 <p>These physical effects have</p>	<p>Climate change has no effect on the district.</p>	Medium	Medium	<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

the ability to exacerbate or intensify events including storm events, natural hazards such as flooding and landslips, coastal erosion and inundation 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.
Earthquake strengthening of buildings – for Council-owned buildings the funds required over this 10-Year Plan will not	That the costs of earthquake strengthening Council-owned buildings within the next 10 years will exceed the \$20M to	High	High	Council only has limited information on the strength of our buildings. Until detailed information is obtained on which buildings will be fixed/replaced, and how, the estimate is rather inaccurate. Costs are likely to exceed

Assumptions

exceed \$20M.	be raised and that the costs cannot be funded out of normal budgetary provisions.			Council's current provision of \$20M and if the Sarjeant Gallery development application for funding is successful, the first costs may be spent on that project.
Insurance – Council's assets are adequately covered for loss.	That the insurance market continues to suffer as a result of recent natural disaster events and that the cost of insurance continues to rise.	Medium	Low	The effect of the Christchurch earthquake has seen substantial cost increases for insurance and issues with obtaining cover at all. Council continues to get insurance for significant assets, and will continue to self insure lower value assets.
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 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.

Capital expenditure - acquisitions

Water supply group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Fordell rural scheme new connections	2	2	2	2	2	2	2	2	3	3
Maxwell rural scheme new connections	1	1	1	1	1	1	1	1	1	1
Rangitautau West Road spare pump	-	-	-	-	-	-	-	-	6	-
Westmere rural scheme new connections	3	3	3	3	3	4	4	4	4	4
Meters and backflows	20	21	21	22	23	23	24	25	26	27
Urban new connections	50	52	53	55	57	59	60	62	64	67
Cathro Road - Springvale Road to end	40	-	-	-	-	-	-	-	-	-
Hydrant extraction station 1	30	-	-	-	-	-	-	-	-	-
Hydrant extraction station 2	-	31	-	-	-	-	-	-	-	-
Hydrant extraction station 3	-	-	-	-	-	-	-	-	39	-
Landguard Road - Wikitoria Road to storage tanks	225	-	-	-	-	-	-	-	-	-
Cathodic protection on trunk mains	-	-	-	55	57	59	-	-	-	-
Kai-Iwi no 4 bore	-	-	-	659	680	-	-	-	-	-
No 2 bore generator	-	155	-	-	-	-	-	-	-	-
Increase water softening plant capacity	-	155	-	-	-	-	-	-	-	-
	371	419	81	797	823	147	92	95	143	101

Stormwater group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
New connections	75	77	80	82	85	88	91	93	97	100
Integrated catchment management infrastructure	50	52	160	165	170	176	181	187	193	200
Virginia Lake algae bloom prevention	-	-	319	-	-	-	-	-	-	-
Springvale Park detention investigation	-	103	-	-	-	-	-	-	-	-
Racecourse detention investigation	-	-	-	110	-	-	-	-	-	-
City wide stormwater hotspots	50	52	106	110	113	117	121	124	64	-
Swale land purchase and designation	-	103	213	330	340	-	-	-	-	-
Riverfront precinct development	-	103	106	110	-	-	-	-	-	-
Stormwater separation completion	100	155	160	165	170	176	181	187	193	200
Inflow and infiltration investigation	100	103	106	110	113	176	181	187	193	200
	375	748	1,251	1,181	992	731	754	778	740	699

Capital expenditure - acquisitions

Flood protection and control group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Capital contributions to Horizons for Matarawa Stream	35	36	37	38	40	41	42	44	45	47
Report on natural drains and easements	50	52	-	-	-	-	-	-	-	-
Turoa Road natural drainage improvements	100	52	-	-	-	-	-	-	-	-
Whanganui River erosion control	50	103	106	55	-	-	-	-	-	-
Navigation markers between Cobham Bridge and port area	25	-	-	-	-	-	-	-	-	-
	260	243	144	93	40	41	42	44	45	47

Wastewater group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
New connections	75	77	80	82	85	88	91	93	97	100
City wide pump station upgrades	325	335	346	-	-	-	-	-	-	-
Overflow manhole construction and alterations	-	103	106	110	-	-	-	-	-	-
Pipe bridge backup plan	-	-	-	55	-	-	-	-	-	-
Flow measurement of gravity network	125	-	-	-	-	-	-	-	-	-
Trade waste sampling and measurements sites	-	103	639	-	-	-	-	-	-	-
Trade waste charges model investigations	-	103	-	-	-	-	-	-	-	-
Trade waste charges for second tier	-	-	106	55	-	-	-	-	-	-
Second tier water take metering	-	-	-	-	283	-	-	-	-	-
CCTV works	100	103	106	110	-	-	-	-	-	-
Network modelling	100	103	106	110	-	-	-	-	-	-
BRPS magflow and mainfold design and implementation	-	464	-	-	-	-	-	-	-	-
Odour monitoring	20	103	-	-	-	-	-	-	-	-
Treatment plant chemical dosing equipment	400	-	-	-	-	-	-	-	-	-
Treatment plant reactor configuration changes	-	-	799	-	-	-	-	-	-	-
Anaerobic digestion and composting equipment	-	-	-	330	-	-	-	-	-	-
Hydro electric generation	-	-	-	220	-	-	-	-	-	-
Treatment plant reactor cables	-	67	-	-	-	-	-	-	-	-
Repair outfall pipe work	-	124	-	-	-	-	-	-	-	-
Replace UV plant with chlorine	-	361	-	-	-	-	-	-	-	-
	1,145	2,049	2,289	1,071	368	88	91	93	97	100

Capital expenditure - acquisitions

Roads, footpaths and pathways group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Minor safety projects	810	831	854	896	941	971	1,002	909	939	972
Whanganui River Road seal extension	1,228	-	-	-	-	-	-	-	-	-
Fitzherbert Avenue	-	-	-	60	91	2,174	-	-	-	-
Mosston Road	-	-	-	88	1,884	-	4,742	4,815	-	-
Riverbank protection Somme Parade	-	-	-	33	34	35	36	25	-	-
Pathways construction	-	389	401	414	427	441	455	469	485	502
Mill Road extension	-	-	-	467	-	-	-	-	-	-
Strategy studies	50	52	53	55	57	59	60	62	64	67
Heads Road roundabout	1,300	-	-	-	-	-	-	-	-	-
Montgomery Road reconstruction	-	-	-	-	-	59	84	-	1,248	-
	3,388	1,271	1,309	2,013	3,434	3,739	6,380	6,280	2,737	1,540

Parks and recreation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Taupo Quay toilet	-	52	-	-	-	-	-	-	-	-
Bason Botanic Gardens road sealing and drainage	-	-	-	220	-	-	-	-	-	-
Sportsgrounds buildings and improvements	-	-	53	-	-	-	-	-	-	-
Spriggens Park bore pump	-	-	-	-	2	2	-	-	-	-
Lundon Park lighting towers	18	-	-	-	-	-	-	-	-	-
Springvale Park land purchase and drainage	200	206	213	-	-	-	-	-	-	-
Splash Centre - ropes course, water play facility and skate plaza	-	-	426	-	-	-	-	-	-	-
Cooks Gardens underground power feed to turf	-	10	-	-	-	-	-	-	-	-
Cooks Gardens internal storage	-	-	-	11	-	-	-	-	-	-
	218	268	692	231	2	2	-	-	-	-

Capital expenditure - acquisitions

Community and cultural group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Sculpture Wanganui competition - new public art	-	52	-	-	113	-	-	124	-	-
Safer Wanganui CCTV cameras	12	12	13	13	14	14	14	15	15	16
New satellite library hub	-	-	319	-	-	-	-	-	-	-
Library office equipment	20	21	21	22	23	23	24	25	26	27
Library furniture and fittings	20	21	21	22	23	23	24	25	26	27
War Memorial Hall upgrade water tanks	3	-	-	-	-	-	-	-	-	-
War Memorial Hall curtain rails and partitions	-	-	21	22	-	-	-	-	-	-
Sarjeant Gallery art work	20	21	21	22	23	23	24	25	26	27
	75	126	417	101	195	84	87	214	93	96
Economic development group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Landscaping of Central Business District	-	-	-	439	453	468	483	-	-	-
	-	-	-	439	453	468	483	-	-	-
Community facilities and services group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
New cemetery design and extension	400	-	-	439	-	-	-	-	-	-
Civil Defence plant and equipment	5	-	-	-	-	-	-	-	-	-
Civil defence radio telephone upgrade to digital	-	-	64	-	-	-	-	-	-	-
Electricity cable to Cooks Gardens - business continuity plan	-	52	32	-	-	-	-	-	-	-
Heritage buildings assessment	50	-	-	-	-	-	-	-	-	-
Vest security cameras for Animal control officers	6	-	-	-	-	-	-	-	-	-
Parking meters	6	21	212	247	11	12	12	12	13	13
Vest security cameras for Parking officers	8	-	-	-	-	-	-	-	-	-
	475	72	308	687	11	12	12	12	13	13

Capital expenditure - acquisitions

Transportation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Wanganui Airport buildings and improvements	6	-	13	-	-	-	-	-	-	-
Wanganui Airport plant and equipment	-	-	-	-	-	-	6	-	-	-
	6	-	13	-	-	-	6	-	-	-
Investments group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Lobby upgrade in Gas building	-	-	-	-	-	-	121	-	-	-
	-	-	-	-	-	-	121	-	-	-
Corporate group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Council Chambers stained glass windows	20	21	11	-	-	-	-	-	-	-
Information services projects	80	83	85	88	91	94	97	100	103	106
Wanganui District Council Online project	30	31	32	33	-	-	-	-	-	-
Technology One Works and Assets software	-	-	-	-	283	-	-	-	-	-
Customer services security camera	15	-	-	-	-	-	-	-	-	-
Infrastructure office equipment	5	5	5	5	6	6	6	6	6	7
Infrastructure furniture and fittings	5	5	5	5	6	6	6	6	6	7
	155	144	138	132	385	105	109	112	116	120
Earthquake strengthening capital works	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Earthquake strengthening buildings and improvements	2,000	6,192	6,388	6,591	-	-	-	-	-	-
	2,000	6,192	6,388	6,591	-	-	-	-	-	-

Capital expenditure - replacements

Water supply group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Fordell rural scheme meters and backflows	2	2	2	2	2	2	2	2	3	3
Fordell rural scheme bore pump overhaul	5	-	-	-	-	-	-	-	6	-
Fordell rural scheme Delinar Road pressure pump	3	-	-	-	-	-	-	-	-	-
Fordell rural scheme communications and control upgrade	4	-	-	-	-	5	-	-	-	-
Maxwell rural scheme connections	2	2	2	2	2	2	2	2	3	3
Maxwell rural scheme communications and control upgrade	-	7	-	-	-	-	4	-	-	-
Westmere rural scheme meters and backflows	3	3	3	3	3	4	4	4	4	4
Westmere rural scheme connections	5	5	5	5	6	6	6	6	6	7
Westmere rural scheme mouse trap upgrade power supply	15	-	-	-	-	-	-	-	-	-
Westmere rural scheme mouse trap pumps	6	-	-	-	-	4	-	-	-	-
Westmere rural scheme Blueskin Road pumps	-	6	-	-	-	4	-	-	-	-
Westmere rural scheme Blueskin Road communications and Scada	-	7	-	-	-	-	4	-	-	-
Westmere rural scheme isolation valves	5	5	5	-	-	-	-	-	-	-
Westmere rural scheme Tokomaru West Road pipeline upgrade to 50m	-	-	27	27	23	-	-	-	-	-
Urban meters and backflows	50	52	53	55	57	59	60	62	64	67
Urban valves and hydrants	50	52	53	55	57	59	60	62	64	67
Urban connections	220	227	234	242	249	257	265	274	283	293
Bastia Hill tower balustrades	340	-	-	-	-	-	-	-	-	-
Alma Road - Carlton to Gorran	-	-	-	-	32	-	-	-	-	-
Alma Road - Gorran to Moore	-	-	-	-	-	-	-	-	-	44
Anson Street - Carlton to end	-	-	-	-	17	-	-	-	-	-
Anzac Parade - Wanganui Girls College to no 110	-	-	-	33	-	-	-	-	-	-
Anzac Parade - Portal to Purua	-	-	-	66	-	-	-	-	-	-
Anzac Parade - Town Bridge to Portal	-	-	-	-	-	88	-	-	-	-
Cambridge Street - no 1 to no 3	-	-	-	-	-	-	19	-	-	-
Carlton Avenue - Liffiton to Heads	-	-	-	-	-	-	-	-	-	31
Castlecliff Main - Belmont to middle of farm	175	-	-	-	-	-	-	-	-	-
Castlecliff Main - Cameron East to Westmere	-	-	-	-	-	-	398	-	-	-
Castlecliff Main - Erin to Cameron East	-	-	-	-	-	-	892	-	-	-
Castlecliff Main - middle of farm to open land	-	181	-	-	-	538	-	-	-	-
Castlecliff Main - Great North to Erin	-	-	-	-	-	-	-	692	-	-
Castlecliff Main - PRV to Polson	-	-	-	-	-	-	-	878	-	-
Castlecliff Main - Tayforth to Belmont	-	-	-	-	-	714	-	-	-	-
Devon Road - Parsons to no 27	-	-	-	49	-	-	-	-	-	-
Dublin Street - Niblett to Pitt	-	32	-	-	-	-	-	-	-	-
Dublin Street - Pitt to Somme	-	32	-	-	-	-	-	-	-	-

Capital expenditure - replacements

Water supply group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Gloucester Street - London to Glasgow	-	-	-	-	-	-	22	-	-	-
Guyton Street - Harrison to no 21	-	-	-	-	16	-	-	-	-	-
Guyton Street - Harrison to no 6	-	-	-	-	7	-	-	-	-	-
Hakeke Street - Tinirau to end	-	-	-	-	-	-	39	-	-	-
Handley Street - Carlton to end	-	-	-	-	18	-	-	-	-	-
Heads Road - Caius to Gonville	-	-	-	62	-	-	-	-	-	-
Heads Road - Carlton to Liffiton	-	-	-	-	-	23	-	-	-	-
Heads Road - Guyton to no 28	-	-	-	-	-	-	14	-	-	-
Heads Road - Kings to Caius	-	-	-	53	-	-	-	-	-	-
Heads Road - Railway line to no 359	-	-	-	-	44	-	-	-	-	-
Ikitara Road - Ikitara to Mt View (rising main)	-	-	-	33	-	-	-	-	-	-
Kawau Place - Kawau junction to Great North Road	-	353	-	-	-	-	-	-	-	-
Kent Road - Parsons to no 14	-	-	-	-	-	-	-	-	37	-
Liverpool Street - College to Victoria	-	-	-	75	-	-	-	-	-	-
Maxwell Avenue - Hutchison to no 23	-	26	-	-	-	-	-	-	-	-
Maxwell Avenue - no 20 to Hutchinson	-	-	-	-	44	-	-	-	-	-
Maxwell Avenue - no 20 to no 11 Eastway	-	7	-	-	-	-	-	-	-	-
Maxwell Avenue - no 23 to Blyth	-	23	-	-	-	-	-	-	-	-
Meuli Street - Duigan to Swiss	-	-	-	-	-	-	-	-	13	-
Mitchell Street - Somme to Hylton	-	-	-	96	-	-	-	-	-	-
Morgan Street - no 2a to no 7	-	-	-	-	-	-	7	-	-	-
Nixon Street - Anzac to Millward	-	-	-	-	65	-	-	-	-	-
Nixon Street - Millward to Moana	-	-	-	-	19	-	-	-	-	-
Parsons Street - no 28 to Great North Road	-	-	-	-	-	-	-	-	215	-
Parsons Street - no 70 to PRV	-	-	-	-	-	-	-	-	73	-
Parsons Street - Parks to Great North Road	-	-	-	-	-	-	-	36	-	-
Parsons Street - Peakes to Parks	-	-	-	-	-	-	-	-	30	-
Parsons Street - PRV to Springvale Road	-	-	-	-	-	-	-	-	-	110
Parsons Street - Tregarth to no 28	-	-	-	-	-	-	-	-	-	220
Parsons Street - Tregarth to Peakes	-	-	-	-	-	-	-	29	-	-
Pehi Street - Anzac to no 7	-	-	-	-	29	-	-	-	-	-
Portal Street - Portal to Durie	-	-	85	-	-	-	-	-	-	-
Putiki Drive - Kemp to no 62	-	-	-	32	-	-	-	-	-	-
Somme Parade - Brunswick to Field	-	-	-	-	61	-	-	-	-	-
Somme Parade - Field to no 243	-	-	-	-	56	-	-	-	-	-
Somme Parade - no 243 to Stewart	52	-	-	-	-	-	-	-	-	-

Capital expenditure - replacements

Water supply group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Springvale Road - Sussex to no 124	-	-	-	-	50	-	-	-	-	-
Tirimoana Place - Great North Road to end	-	24	-	-	-	-	-	-	-	-
Virginia Road - Deer Park to PRV	-	-	-	126	-	-	-	-	-	-
Virginia Road - Hillside to Deer Park	-	-	-	-	130	-	-	-	-	-
Watkin Street - Carlton to end	-	-	-	-	14	-	-	-	-	-
Mt Russel Reservoir	-	-	-	-	-	-	-	-	360	-
PRV - Carlton Avenue	-	-	-	-	-	-	-	-	77	-
PRV - Durie Vale Road	30	-	-	-	-	-	-	-	-	-
PRV - London Street	-	-	-	-	-	-	18	-	-	-
PRV - Springvale Road	-	-	-	-	-	35	-	-	-	-
PRV - Taylor Street	-	-	-	-	-	-	-	35	-	-
PRV - Treadwell Street	-	-	-	-	24	-	-	-	-	-
Devon Road - Parsons to no 27	-	-	-	25	-	-	-	-	-	-
Heads Road - railway line to no 359	-	-	-	-	9	-	-	-	-	-
Riverfront precinct development	-	52	21	22	-	-	-	-	-	-
Urban electrical works	-	-	-	-	57	-	-	62	-	-
Scada and communications system	20	31	32	-	-	-	-	-	-	-
SH3 - Symes Road to Hayes gateway	-	351	-	-	-	-	-	-	-	-
SH3 - Mission Road (ToH) to SH3 intersection	305	-	-	-	-	-	-	-	-	-
SH3 - School house to Symes Road	254	-	-	256	-	-	-	-	-	-
SH3 - Symes Road to Hayes gateway	-	418	-	-	-	-	-	-	-	-
Aramoho bore compressor	-	62	-	-	-	-	-	-	-	-
Kai-Iwi no 1 bore development	-	-	213	-	-	-	-	-	-	-
Kai-Iwi bore pumps	30	31	-	-	-	35	-	-	39	-
Variable speed drive no 1 bore	-	52	-	-	-	-	-	-	-	-
Variable speed drive no 2 bore	50	-	-	-	-	-	-	-	-	-
Westmere no 1 reservoir	-	-	-	-	3,458	3,569	-	-	-	-
Water reticulation replacement programme	-	-	-	-	-	-	-	622	1,287	1,997
Aramoho oxygen sieve material	35	-	-	-	-	-	-	-	-	-
Kai-Iwi no 1 bore pump cables	-	21	-	-	-	-	-	-	-	-
Kai-Iwi no 2 bore pump cables	-	-	21	-	-	-	-	-	-	-
Replace cables from no 1 reservoir	30	-	-	-	-	-	-	-	-	-
Slam shut valves, relocate and upgrade cables	30	-	-	-	-	-	-	-	-	-
	1,721	2,062	758	1,319	4,548	5,403	1,818	2,767	2,565	2,844

Capital expenditure - replacements

Stormwater group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Replace inlet structures	-	31	32	33	34	-	-	-	-	-
Network replacements	75	103	106	110	113	117	121	124	129	133
	75	134	138	143	147	117	121	124	129	133
Flood protection and control group										
	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Kowhai Park valves	15	15	16	33	34	35	36	37	39	40
	15	15	16	33	34	35	36	37	39	40
Wastewater group										
	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Wastewater replacement programme	-	-	-	-	-	-	-	622	1,287	1,997
Wastewater urban reticulation replacements	250	258	266	549	567	585	603	622	643	666
Pipe bridge replacement	-	-	-	-	-	-	-	-	1,287	-
Replace pumps at small pump stations	50	52	53	55	-	-	-	-	-	-
Generator replacement	-	-	-	-	-	-	-	-	-	3,328
Refurbishment of old MCC at BRPS	-	-	532	-	-	-	-	-	-	-
Grit removal optimisation	-	516	-	-	-	-	-	-	-	-
Hydraulic gate replacement	-	-	-	330	-	-	-	-	-	-
Closing actuators for manifold valves	-	-	-	-	680	-	-	-	-	-
Pre-treatment area refurbishment	-	-	-	-	-	234	-	-	-	-
Flyght pumps major service	30	31	-	-	-	-	36	37	-	-
	330	857	852	934	1,247	819	640	1,282	3,217	5,991

Capital expenditure - replacements

Roads, footpaths and pathways group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Footpaths and berms replacements	305	315	325	335	346	357	368	380	392	406
Roading replacement programme	-	-	-	-	-	-	-	622	1,287	1,997
Emergency management first response	300	310	319	330	340	351	362	373	386	399
Flood damage repairs	100	206	319	439	567	585	603	622	643	666
Wylies Bridge	-	1,409	-	-	-	-	-	-	-	-
Dublin Street Bridge	-	-	-	-	85	351	603	996	10,810	16,773
Unsealed road metalling	400	413	426	535	553	570	588	607	627	649
Sealed road resurfacing	2,000	2,064	2,129	2,526	2,792	2,881	2,972	3,065	3,169	3,278
Drainage renewals	1,050	1,245	1,284	1,325	1,367	1,411	1,455	1,501	1,552	1,605
Pavement rehabilitation	500	516	532	659	419	289	519	187	1,094	1,824
Structures and components replacements	269	243	192	132	136	140	241	884	914	752
Traffic services renewals	494	510	526	275	283	293	302	311	322	333
Wakefield St Bridge	-	-	-	55	261	1,755	-	-	-	-
Matarawa Bridge	-	-	-	110	567	-	-	-	-	-
Armco culverts	-	-	-	60	91	2,174	-	-	-	-
	5,418	7,229	6,053	6,781	7,807	11,159	8,014	9,548	21,195	28,682

Capital expenditure - replacements

Parks and recreation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Glen Logie Rose Garden buildings and improvements	5	-	-	-	-	-	-	-	-	-
Hipango Park buildings and improvements	-	-	-	-	-	-	12	-	-	-
Memorial Tower buildings and improvements	-	-	-	-	19	-	-	-	-	-
Ototoko beach toilets and bridge improvements	-	-	3	16	-	-	-	-	-	-
Play equipment	-	93	101	-	-	-	-	-	-	-
Parks furniture, fences and signage	5	5	5	5	6	6	6	6	6	7
North mole repairs	-	-	-	549	-	-	-	-	-	-
Boat ramp upgrade	-	-	-	269	-	-	-	-	-	-
Mowhanau Beach toilet partitions	-	-	-	-	-	-	-	-	8	-
Durie Hill toilet partitions	-	-	-	-	-	-	-	-	8	-
Gonville Domain toilet partitions	-	-	-	-	-	-	-	-	8	-
Mowhanau Beach roading	-	-	-	-	-	-	-	-	-	15
Ikitara Road walkway	40	-	-	-	-	-	-	-	-	-
Mowhanau Beach fishing platform and BBQ's	-	6	-	-	-	-	7	-	-	-
Cobham Bridge to Town Bridge seal	-	21	-	-	-	-	-	-	-	-
Hyltons Pit tree planting for carbon credits	-	-	21	-	-	-	-	-	-	-
Mowhanau Beach bridge	-	-	-	-	23	-	-	-	-	-
Parks and reserves vehicle	15	-	31	-	-	18	-	36	-	-
Bason Botanic Gardens furniture, fences and signage	2	-	2	-	2	-	2	-	3	-
Bason Botanic Gardens roading	20	-	-	5	1	1	-	16	3	1
Bason Botanic Gardens water softener replacement	-	-	-	-	-	4	-	-	-	-
Bason Botanic Gardens amenity block	3	-	-	-	4	4	-	-	-	-
Bason Botanic Gardens Schouler House rams and vents	-	-	-	-	-	20	-	-	-	-
Bason Botanic Gardens window upgrade conservatories	-	-	-	-	-	29	-	-	-	-
Bason Botanic Gardens gutter mill hill lookout	-	-	-	-	-	2	-	-	-	-
Bason Botanic Gardens lower toilets	-	-	-	-	3	8	-	-	-	-
Bason Botanic Gardens Larsen House vents and rams	-	-	-	-	18	-	-	-	-	-
Larsen House heating plant	-	-	16	-	-	-	-	-	-	-
Bason Botanic Gardens septic tank	-	-	-	-	28	-	-	-	-	-
Schouler House floor coverings	-	-	-	2	-	-	-	-	-	-
Tunnel house reskin	25	-	-	-	-	-	-	-	-	-
Schouler House	3	-	-	-	-	-	-	-	-	-
Tunnel house heating unit	-	-	-	-	-	18	-	-	-	-
Pumps fish ponds	-	2	-	-	-	-	-	-	-	-
Tunnel house vents and motors	-	-	11	-	-	-	-	-	-	-

Capital expenditure - replacements

Parks and recreation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Bason Botanic Gardens water tank	-	4	-	-	-	-	-	-	-	-
Bason Botanic Gardens Begonia House vents and motors	-	11	-	-	-	-	-	-	-	-
Kowhai Park buildings and improvements	30	52	106	55	-	-	-	-	51	-
Virginia Lake toilets	-	-	-	-	227	-	-	7	-	-
Virginia Lake Winter Gardens buildings and improvements	10	3	-	-	5	-	6	-	-	-
Virginia Lake aviary buildings and improvements	5	21	29	-	-	-	-	-	-	-
Virginia Lake residence buildings and improvements	-	18	-	7	2	-	-	-	-	-
Virginia Lake buildings and improvements	25	26	27	27	28	29	30	31	32	33
Parks furniture, fences and signage	10	10	11	11	11	12	12	12	13	13
Castlecliff roading	27	-	21	22	-	-	-	-	-	-
Kowhai Park roading	-	-	9	15	28	-	-	-	-	-
Virginia Lake roading	-	-	-	-	8	-	-	-	-	-
Queens Park roading	-	21	-	-	-	-	-	-	-	20
Queens Park bore pump	-	6	-	-	-	-	-	-	-	-
Queens Park asphalt	-	21	-	-	-	-	-	-	-	-
Queens Park fencing	-	17	9	-	-	-	-	-	-	-
Duncan Pavillion toilet partitions	-	-	-	-	-	-	-	7	-	-
Community projects team vehicle	-	-	-	22	-	-	-	-	26	-
Victoria Park buildings and improvements	-	-	32	-	-	-	-	-	-	-
Gonville Domain buildings and improvements	-	-	-	-	-	-	-	-	-	5
Laird Park reseals	-	35	-	7	-	-	-	-	-	-
Lundon Park reseals	-	-	-	-	9	35	-	-	-	-
Spriggens Park reseals	-	-	-	-	-	-	39	-	-	-
Te Mana Park reseals	-	-	-	-	-	-	-	-	9	-
Wembley Park reseals	-	-	-	-	-	-	-	-	-	9
Peat Park convert toilet block	-	5	-	-	-	-	-	-	-	-
Gonville Domain pump	-	4	-	-	-	-	-	-	-	-
Victoria Park Harriers building improvements	10	-	-	-	34	11	-	-	-	-
Splash Centre dosing pump	-	3	-	3	-	4	-	-	-	-
Splash Centre DE chamber valves	4	-	-	-	-	-	-	-	-	-
Splash Centre DE filter plates	14	-	-	-	-	-	-	-	-	-
Splash Centre aqua lift	10	-	-	-	-	-	-	-	-	-
Splash Centre boiler pump	-	6	-	-	-	-	-	-	-	-
Splash Centre balance tank butterfly valve	-	2	-	-	2	-	-	-	-	-
Splash Centre hydrosides pump	-	26	-	-	-	-	-	-	-	-

Capital expenditure - replacements

Parks and recreation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Splash Centre vacuum	-	5	-	-	-	-	-	-	-	-
Splash Centre water pump	-	-	5	-	-	-	18	-	-	-
Splash Centre four premia pumps	-	-	4	4	-	-	-	-	-	-
Splash Centre hydrosides make up tank	-	-	9	-	-	-	-	-	-	-
Splash Centre aquatic equipment	-	-	12	4	8	-	-	-	-	-
Splash Centre audio equipment	-	-	11	-	-	-	-	-	-	-
Splash Centre fluorescent lights	-	-	17	-	-	-	-	-	-	-
Splash Centre ledathene piping	-	-	-	11	-	-	-	-	-	-
Splash Centre WT tank	-	-	-	6	-	-	-	-	-	-
Splash Centre nine chlorine dosing pumps	-	-	-	-	-	21	-	-	-	-
Splash Centre internal chairs	-	-	-	-	-	4	-	-	-	-
Splash Centre old hall roof	-	-	-	-	-	-	317	-	-	-
Splash Centre steps	-	-	-	-	-	-	38	-	-	-
Splash Centre toilet cubicles	-	-	-	-	-	-	-	-	-	25
Splash Centre pump replacement	-	-	-	-	-	-	-	-	-	3
Cooks Gardens athletics track replacement	-	-	-	-	7	-	-	-	-	513
Cooks Gardens Westpac stadium exterior cladding	-	-	-	13	-	-	-	-	-	-
Cooks Gardens replace velodrome lighting towers	-	-	256	-	2	-	-	-	-	-
Cooks Gardens upgrade lighting towers	-	-	-	-	-	-	290	-	-	-
Cooks Gardens Southern grandstand water heating	4	-	-	-	-	-	-	-	-	-
Cooks Gardens Southern grandstand emergency lighting	3	-	-	-	-	-	-	-	-	-
Cooks Gardens Southern grandstand alarm upgrade	-	3	-	-	-	-	-	-	-	-
Cooks Gardens Westpac stadium vinyl	-	-	-	-	-	-	7	-	-	-
Cooks Gardens St Hill Street gates	-	-	-	4	-	-	-	-	-	-
Cooks Gardens Maria Place end fencing	-	-	-	-	-	-	-	-	-	20
Cooks Gardens replace velodrome paths	-	-	-	13	-	-	-	-	-	-
Cooks Gardens velodrome security	-	-	-	-	6	-	-	-	-	-
Cooks Gardens velodrome handrail modification	-	-	-	-	-	12	-	-	-	-
Cooks Gardens road sealing	-	-	-	-	-	12	-	-	-	-
Cooks Gardens kitchen equipment	-	6	-	-	-	-	-	-	-	-
Cooks Gardens St Hill Street ladies toilet	150	-	-	-	-	-	-	-	-	-
Cooks Gardens velodrome subfloor tusses	45	46	-	-	-	-	-	-	-	-
Cooks Gardens asphalt Peter Snell garden pathway	-	-	-	20	-	-	-	-	-	-
Parks and reserves buildings and improvements	-	-	-	-	-	-	-	622	1,287	1,997
	464	477	746	1,093	482	247	784	739	1,454	2,661

Capital expenditure - replacements

Community and cultural group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Computer Clubhouse equipment	-	52	53	55	113	117	121	124	129	133
Library buildings and improvements	-	-	-	-	44	52	-	-	-	-
Mobile library bus	-	-	-	-	-	-	-	747	-	-
Alexander Library buildings and improvements	-	-	35	-	-	-	8	-	-	-
Alexander Library furniture and fittings	-	-	-	-	-	4	-	-	-	-
Library book vote	320	330	341	352	363	374	386	398	412	426
War Memorial Hall seating and carpets	-	-	116	-	-	-	-	-	-	-
War Memorial Hall window replacements	60	-	-	-	-	-	-	-	-	-
War Memorial Hall furnaces upgrade	-	34	-	-	-	-	-	-	-	-
War Memorial Hall replace parquet flooring	-	-	-	-	-	346	-	-	-	-
War Memorial Hall inverter	-	-	13	-	-	-	-	-	-	-
War Memorial Hall changing rooms	-	31	-	-	-	-	-	-	-	-
War Memorial Hall upgrade security	30	26	-	-	-	-	-	-	-	-
War Memorial Hall decoration	-	-	22	-	-	-	-	-	-	-
War Memorial Hall heating upgrade	-	31	43	-	-	-	-	-	-	-
War Memorial Hall lecturns	3	-	-	-	-	-	-	-	-	-
War Memorial Hall fridge freezer	3	-	-	-	-	-	-	-	-	-
War Memorial Hall pianos refurbishment	-	2	-	-	-	-	-	-	-	-
War Memorial Hall Pioneer Room blinds	-	2	-	-	-	-	-	-	-	-
War Memorial Hall portable staging	-	-	22	-	-	-	-	-	-	-
War Memorial Hall Pioneer Room curtains	-	-	-	11	-	-	-	-	-	-
War Memorial Hall Pioneer Room recarpet	-	-	28	-	-	-	-	-	-	-
Museum rewire and switchboard	49	-	-	-	-	-	-	-	-	-
Museum roof replacement	-	140	-	-	-	-	-	-	-	-
Royal Wanganui Opera House buildings and improvements	-	-	-	-	-	70	-	-	-	-
Royal Wanganui Opera House plant and equipment	-	-	-	-	-	-	-	-	-	35
Royal Wanganui Opera House furniture and fittings	-	248	160	-	-	47	-	-	-	-
Sarjeant Gallery buildings and improvements	-	-	-	-	36	-	-	-	-	-
Tylee Cottage buildings and improvements	10	16	-	4	-	-	-	-	-	-
	475	911	832	422	556	1,011	515	1,270	540	594

Capital expenditure - replacements

Economic development group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Majestic Square stage roof	-	-	-	-	-	6	-	-	-	-
Majestic Square accessibility works	-	-	-	-	-	6	-	-	-	-
Majestic Square hotmix	-	-	-	-	-	-	-	-	148	-
Orient toilets accessibility upgrade	-	-	-	33	-	-	-	-	-	-
Orient toilets floor coverings	-	-	-	4	-	-	-	-	-	-
	-	-	-	37	-	12	-	-	148	-
Community facilities and services group										
	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
451-457 Somme Parade Aromoho Cemetery upgrade	8	-	-	-	-	-	-	-	-	-
Aramoho Cemetery water pipes	-	-	-	-	-	6	-	-	-	-
Aramoho Cemetery crematorium drains upgrade	-	-	-	-	-	29	-	-	-	-
Aramoho Cemetery crematorium toilet accessibility	-	-	-	-	-	29	-	-	-	-
Aramoho Cemetery crematorium windows	-	-	-	-	15	-	-	-	-	-
Aramoho Cemetery Papaiti Road residence	-	-	-	-	-	5	-	-	-	-
Aramoho Cemetery crematorium roof	-	-	-	33	-	-	-	-	-	-
Aramoho Cemetery crematorium seating	-	-	-	-	-	-	-	-	-	20
Aramoho Cemetery crematorium outdoor seating	-	5	5	5	6	6	6	6	6	7
Aramoho Cemetery sealing internal roads	20	-	11	12	-	-	-	-	-	-
Aramoho Cemetery crematorium septic tank	-	-	-	-	-	18	-	-	-	-
Heads Road Cemetery fencing	20	-	-	-	-	-	-	-	-	-
Duncan Pavilion buildings and improvements	-	-	4	-	-	-	-	-	-	-
Womens Resource Centre water heating	-	5	-	-	-	-	-	-	-	-
Womens Resource Centre rewire	-	-	-	15	-	-	-	-	-	-
8 Bryce Street furniture and fittings	-	-	-	-	5	-	-	-	-	-
Civil Defence plant and equipment	18	22	4	4	5	5	-	-	-	-
Civil Defence vehicle	-	28	29	-	-	-	65	-	-	-
Rural fire plant and equipment	7	15	12	11	16	19	28	-	-	-
Rural Fire vehicle	29	-	160	-	-	209	-	-	-	-
Building services vehicle	65	-	-	-	17	70	-	-	-	20
Environmental health vehicle	-	52	-	-	17	-	60	-	-	20
Animal control vehicle	-	-	-	33	53	-	-	-	39	63
Pensioner housing buildings and improvements	50	57	64	71	79	88	97	106	116	126
CBD parking buildings and improvements	13	42	10	22	-	-	-	-	-	-
	230	225	297	208	213	483	256	112	161	256

Capital expenditure - replacements

Transportation group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Wanganui Airport roller door	3	-	-	-	-	-	-	-	-	-
Wanganui Airport three automatic doors	-	-	-	14	-	-	-	-	-	-
Wanganui Airport maintenance area rolladour and roof	-	-	-	6	-	-	-	-	-	-
Wanganui Airport residence roof	-	-	-	-	8	-	-	-	-	-
Wanganui Airport residence upgrade drains	-	-	-	-	-	-	-	-	2	-
Wanganui Airport residence wall cladding	-	-	-	-	-	-	-	-	8	-
Wanganui Airport residence windows	-	-	-	-	-	-	-	-	6	-
Wanganui Airport electrical supply panel	20	-	-	-	-	-	-	-	-	-
Wanganui Airport plant and equipment	2	-	-	-	-	11	1	-	-	-
Wanganui Airport vehicle	-	15	-	-	-	-	17	-	-	-
Wanganui Airport runway infrastructure	-	191	-	-	-	-	2,474	-	-	-
Wanganui Airport furniture and fittings	30	5	-	3	-	2	-	-	-	-
Durie Hill elevator buildings and improvements	11	-	-	-	-	-	-	-	-	-
	66	211	-	24	8	13	2,492	-	17	-

Capital expenditure - replacements

Investments group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Community House boiler	-	-	-	59	-	-	-	-	-	-
Community House toilet accessibility	-	-	-	66	-	-	-	-	-	-
Community House fire alarms	-	-	-	75	-	-	-	-	-	-
Gas Building toilet accessibility	-	-	-	33	-	-	-	-	-	-
Gas Building emergency lighting	-	4	-	-	-	-	-	-	-	-
12 Cooks Street roof	-	-	-	57	-	-	-	-	-	-
12 Cooks Street windows	-	-	-	-	34	-	-	-	-	-
12 Cooks Street roller doors	-	-	-	33	-	-	-	-	-	-
12 Cooks Street fire alarm	-	-	-	-	-	-	-	4	-	-
12 Cooks Street fencing	-	-	-	-	3	-	-	-	-	-
301 Heads Road roof	-	-	-	-	-	-	-	-	13	-
301 Heads Road windows	-	-	-	9	-	-	-	-	-	-
301 Heads Road asphalt	-	-	-	9	-	-	-	-	-	-
305 Heads Road windows	-	-	-	4	-	-	-	-	-	-
305 Heads Road car park	-	-	-	9	-	-	-	-	-	-
309 Heads Road windows	-	-	-	-	3	-	-	-	-	-
309 Heads Road toilet accessibility	-	-	-	16	-	-	-	-	-	-
Pound watering system	-	3	-	-	-	-	-	-	-	-
Pound cages	3	-	-	-	-	-	-	-	-	-
Pound kennels	-	-	-	-	-	-	-	-	24	-
McEntee Hire building roof	-	-	-	-	78	-	-	-	-	-
178 Ridgway Street cladding	-	-	-	8	-	-	-	-	-	-
178 Ridgway Street sewer drain	-	-	-	16	-	-	-	-	-	-
7 Taupo Quay roller door	-	12	-	-	-	-	-	-	-	-
7 Taupo Quay regulatory compliance	-	42	-	-	-	-	-	-	-	-
Parks Yard dangerous goods tank	-	-	-	4	-	-	-	-	-	-
Parks Yard fire shed	-	-	-	-	5	-	-	-	-	-
Parks Yard main office roof	-	-	-	-	-	-	-	-	15	-
Parks Yard main office cladding	-	9	-	-	-	-	-	-	-	-
Parks Yard main office electrical works	-	5	-	15	-	-	-	-	-	-
Parks Yard bike shed electrical works	-	2	-	-	-	-	-	-	-	-
Parks Yard ablutions cladding	-	9	-	-	-	-	-	-	-	-
	3	87	-	414	124	-	-	4	52	-

Capital expenditure - replacements

Corporate group	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Mayors vehicle	-	31	-	-	34	-	-	37	-	-
Property vehicle	25	31	54	30	-	29	36	63	35	-
101 Guyton Street lift	105	-	-	-	-	-	-	-	-	-
101 Guyton Street 1st floor roof	43	-	-	-	-	-	-	-	-	-
101 Guyton Street Committee Room 2 air conditioning	-	15	-	-	-	-	-	-	-	-
101 Guyton Street boiler	-	-	-	59	-	-	-	-	-	-
101 Guyton Street windows	-	-	-	-	-	-	845	-	-	-
101 Guyton Street Economic development area air conditioning	-	-	-	-	-	-	-	-	10	-
Pool vehicles	-	21	32	54	23	35	24	36	64	27
101 Guyton Street furniture and fittings	30	31	32	33	34	35	36	37	39	40
Computer equipment	40	41	43	44	45	47	48	50	51	53
Telephone hardware	50	52	53	55	57	59	60	62	64	67
PCs	90	93	96	99	102	105	109	112	116	120
IT recabling	20	21	21	22	23	23	24	25	26	27
Wireless broadband	10	10	11	11	11	12	12	12	13	13
Laptops	10	10	11	11	11	12	12	12	13	13
Mobile devices	15	15	16	16	17	18	18	19	19	20
Monitors	10	10	11	11	11	12	12	12	13	13
Servers	30	31	32	33	34	35	36	37	39	40
IT network	20	21	21	22	23	23	24	25	26	27
SAN servers	-	-	532	-	-	702	-	-	901	-
Infrastructure pool vehicle	49	74	78	154	101	23	87	124	145	118
Office equipment	6	6	6	7	7	7	7	7	8	8
	553	514	1,049	660	533	1,177	1,391	673	1,582	586

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.

Council has developed a new financial strategy which encompasses the principles and rules we think are important for the district to be sustainable into the future. The new financial strategy can be found in the Statement of proposal on pages 10 to 34.

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 103 of this volume. These apply to all years covered by this plan.

As Council developed the financial strategy, a funding review was performed which examined each activity and where / how and who it should get its funds from. The resultant Revenue and financing policy can be found on page 103.

We struck two new rates for the plan:

- Raising \$20 million to begin to strengthen our earthquake-prone buildings. This rate is \$11.50 for Residential and Farming ratepayers and \$12.50 for Commercial ratepayers. This will increase to \$100 per SUIP in year 10 of the plan.
- A Debt retirement rate which will collect \$641,700 in year 1 and repay stormwater and roading debt.

Council has not budgeted to receive any income from its investment in Wanganui District Council Holdings Limited until 2016/17. However, the company is projected to receive distributions which will be used to retire debt. Before the Council's investment in Wanganui Gas Limited was subject to adverse trading conditions, such investment income was used to subsidise rates income.

Reconciling the Funding impact statement to Statement of comprehensive income

The Funding impact statement (FIS) is a new statement introduced by the Local Government (Financial Reporting) Regulations 2011.

Rates income on the Statement of comprehensive income, includes both General and Targeted rates shown on the FIS. Rates penalties are included in the General rate total on the FIS, but in User fees and other income on the Statement of Comprehensive Income.

Subsidies and grants on the Statement of comprehensive income include both Subsidies and grants for operating expenditure purposes and capital expenditure shown on the FIS.

Finance income on the Statement of comprehensive income is called Interest and dividends from investments on the FIS.

User Fees and other income on the Statement of comprehensive income includes Fees, charges and targeted rates from water supply, Local authorities fuel tax, fines, infringement fees and other receipts, rates penalties and lump sum contributions.

Gains are non cash items and are therefore not included in the FIS.

Operating costs and personnel costs shown on the Statement of comprehensive income and combined as payments to staff and suppliers on the FIS.

Funding impact statement

The following table shows the method of collection, the rate and total to be collected by each rate. Where the method is LV or CV, the rate is shown

Rate Description	Method	Rate	Total collected
GENERAL RATES			
Community facilities rate			\$ 15,792,340
Community facilities rate	SUIP	740.00	
General rate			\$ 10,883,944
General rate - residential	LV	0.5191	
General rate - residential area > .5ha	LV	0.4637	
General rate - residential area > 1 ha	LV	0.4083	
General rate - residential area > 2 ha	LV	0.3529	
General rate - farming area > 3 ha	LV	0.2975	
General rate - farming area > 4 ha	LV	0.2421	
General rate - farming area > 5 ha	LV	0.1867	
General rate - farming area > 10 ha	LV	0.1313	
General rate - commercial	LV	1.2847	
TARGETED RATES			
Earthquake strengthening rate			\$ 247,170
Earthquake strengthening rate - residential	SUIP	11.50	
Earthquake strengthening rate - farming	SUIP	11.50	
Earthquake strengthening rate - commercial	SUIP	12.50	
Roading and footpaths rate			\$ 7,088,583
Roading and footpaths rate - residential	CV	0.0801	
Roading and footpaths rate - farming	CV	0.1397	
Roading and footpaths rate - commercial	CV	0.2180	
Debt retirement rate			\$ 641,700
Debt retirement rate - connected	CV	0.0171	
Debt retirement rate - other	SUIP	20.00	
Debt retirement rate - serviceable	CV	0.0085	
City water supply			\$ 6,816,653
City water supply	Connection	267.94	

as cents per dollar of valuation. All figures are quoted inclusive of GST.

Rate Description	Method	Rate	Total collected
Water supply serviceable	Connection	133.97	
Water supply - rural extraordinary	Connection	211.09	
Metered supply	Cubic metre	0.8643	
City water supply firefighting capacity			\$ 1,294,140
City water supply firefighting capacity	CV	0.0292	
Maxwell water supply			\$ 86,664
Maxwell water supply	Connection	345.00	
Maxwell water supply - dairy	Land Area	69.00	
Maxwell water supply - rural	Land Area	15.24	
Metered supply	Cubic metre	0.6325	
Westmere water supply			\$ 156,700
Westmere water supply	Connection	250.00	
Metered supply	Cubic metre	0.8333	
Fordell water supply			\$ 48,940
Fordell water supply	Connection	195.40	
Fordell water supply - dairy	Land Area	35.55	
Fordell water supply - rural	Land Area	9.38	
Metered supply	Cubic metre	0.7816	
City wastewater			\$ 4,038,233
City wastewater	Connection	212.10	
City wastewater - multi pan	Connection	106.05	
Marybank wastewater			\$ 20,613
Marybank wastewater	Connection	378.22	
Marybank wastewater - serviceable	Connection	189.11	
Mowhanau wastewater			\$ 27,508
Mowhanau wastewater	Connection	390.18	
Mowhanau wastewater - serviceable	Connection	195.09	
Trade waste charges			\$ 1,840,000

Funding impact statement

Rate Description	Method	Rate	Total collected
Volume discharged	Cubic metre	0.2650	
Annual average biochemical oxygen demand (BOD)	kg/d	66.08	
Averaged 3 day peak period biochemical oxygen demand (BOD)	kg/d	17.89	
Suspended solids (SS) measured on an average basis	kg/d	30.42	
Stormwater disposal			\$ 4,476,054
Stormwater disposal	CV	0.1326	
Stormwater disposal - serviceable	CV	0.0663	
CBD rate			\$ 591,926
CBD fixed charge	SUIP	340.20	
CBD Services	CV	0.4153	
CBD Services	CV	0.1661	
Separate works rates			
Special Roding - Whanganui River Rd	LV	0.0938	\$ 19,320
Special Roding - Whangaehu Valley Rd No 1	LV	0.0359	\$ 11,837
Special Roding - Whangaehu Valley Rd No 2	LV	0.0255	\$ 9,558

Funding impact statement

Rates payment information

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, 22 August 2012
Instalment 2	Wednesday, 21 November 2012
Instalment 3	Wednesday, 20 February 2013
Instalment 4	Wednesday, 22 May 2013

Discount

A discount of 2.5% will be allowed on rates paid in full by the due date of the first instalment.

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, 29 August 2012
Instalment 2	Wednesday, 28 November 2012
Instalment 3	Wednesday, 27 February 2013
Instalment 4	Wednesday, 29 May 2013

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 26 July 2012 and 26 January 2013

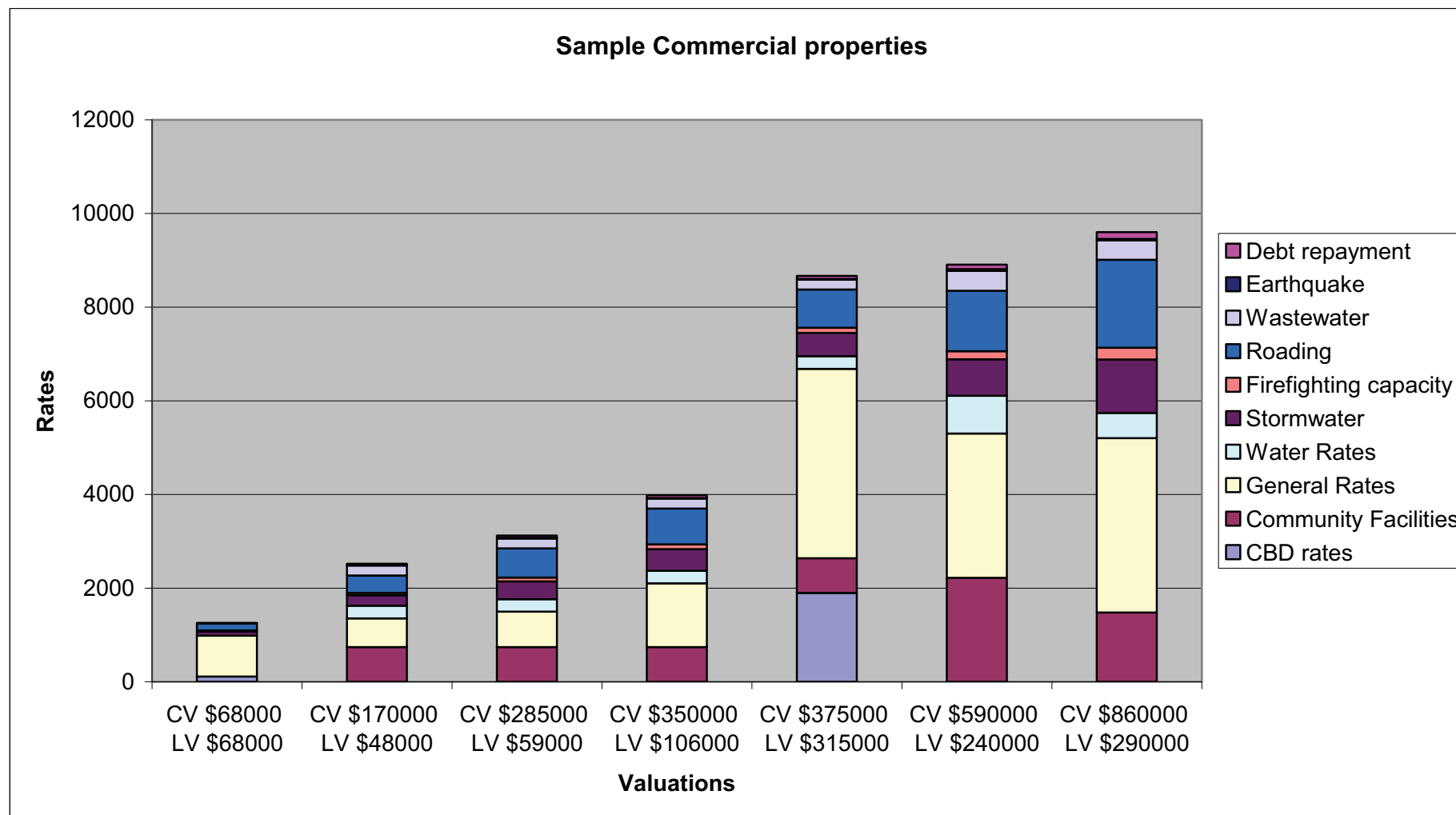
Rates examples by type and property value

The following tables show projected rates by rate type for a sample of properties:

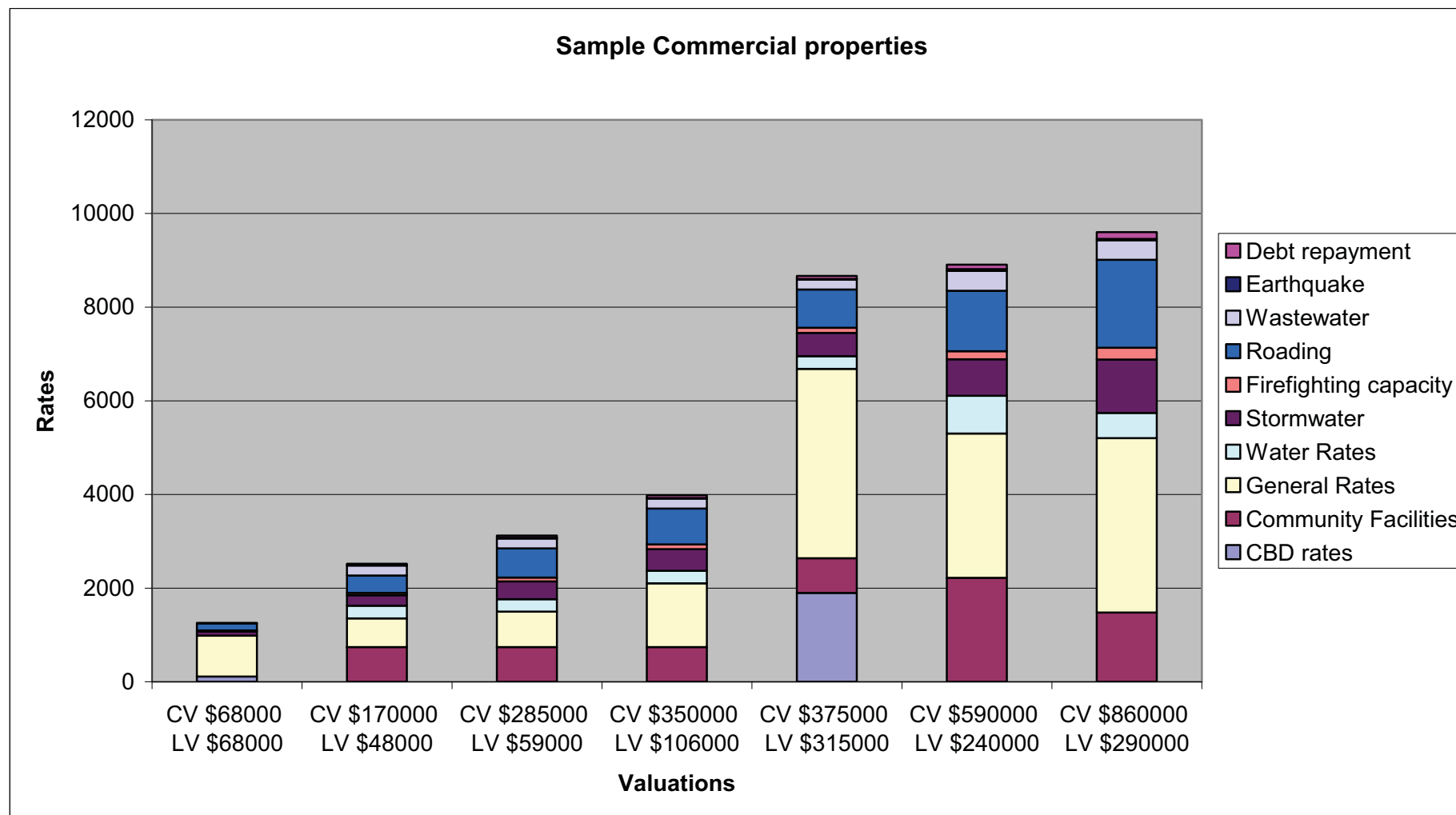
Land value	Capital value	2011/12 Rates	2012/13 Rates	Movement in rates
<i>Residential</i>				
57,000	95,000	1,607.31	1,702.40	5.9%
47,000	111,000	1,654.54	1,763.10	6.6%
41,000	125,000	1,656.69	1,768.20	6.7%
24,000	120,000	1,560.13	1,667.00	6.9%
83,000	135,000	1,889.85	2,012.10	6.5%
27,000	129,000	1,595.82	1,706.00	6.9%
27,000	145,000	1,632.58	1,747.40	7.0%
58,000	185,000	1,761.77	1,873.40	6.3%
123,000	185,000	2,087.05	2,210.80	5.9%
98,000	240,000	2,206.16	2,361.90	7.1%
94,000	310,000	2,346.98	2,522.70	7.5%
155,000	400,000	2,604.23	2,772.80	6.5%
230,000	500,000	3,464.11	3,720.80	7.4%
133,000	480,000	2,932.73	3,165.50	7.9%
<i>Farming</i>				
325,000	345,000	863.35	908.80	5.3%
430,000	440,000	1,349.34	1,417.60	5.1%
510,000	730,000	2,501.90	2,656.50	6.2%
1,900,000	1,950,000	5,669.60	5,990.90	5.7%
1,850,000	2,300,000	5,347.70	5,642.90	5.5%
4,175,000	4,775,000	13,643.21	14,452.10	5.9%
<i>Commercial</i>				
68,000	68,000	1,221.31	1,256.50	2.9%
48,000	170,000	2,379.07	2,524.10	6.1%
59,000	285,000	2,926.29	3,121.80	6.7%
106,000	350,000	3,757.05	3,983.80	6.0%
315,000	375,000	8,390.73	8,665.60	3.3%
240,000	590,000	8,448.92	8,910.90	5.5%
290,000	860,000	9,077.12	9,604.70	5.8%

The following graphs show projected rates by rate type for this sample of properties:

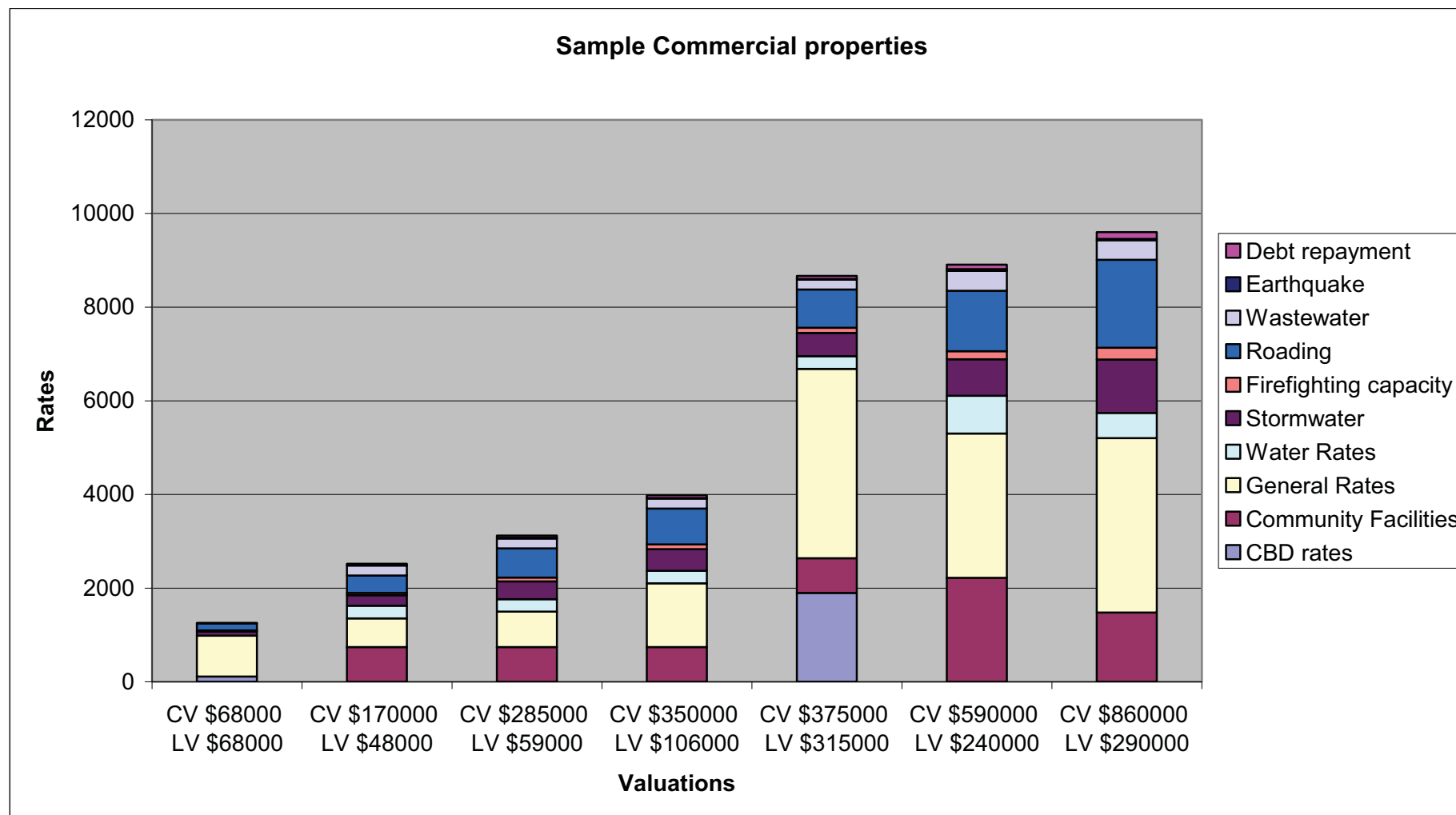
Funding impact statement



Funding impact statement



Funding impact statement



Funding impact statement

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	22,626	23,412	25,295	26,404	26,986	27,420	27,855	28,923	29,570	30,733	32,095
Targeted rates (other than a targeted rate for water supply)	18,550	20,557	21,869	24,122	27,090	29,174	30,966	32,233	34,915	37,420	39,775
Subsidies and grants for operating purposes	3,653	3,938	3,513	3,672	4,210	4,245	4,441	4,792	4,720	5,025	5,331
Fees, charges, and targeted rates for water supply	10,742	10,465	10,864	11,218	11,675	12,170	12,629	13,071	13,519	14,210	14,563
Interest and dividends from investments	620	659	648	748	648	1,648	1,648	1,648	1,648	2,348	1,648
Local authorities fuel tax, fines, infringement fees and other receipts	2,051	2,089	2,210	2,173	2,215	2,396	2,367	2,427	2,589	2,591	2,630
Total Operating funding (A)	58,242	61,120	64,398	68,335	72,823	77,052	79,906	83,094	86,961	92,326	96,042
Application of operating funding											
Payments to staff and suppliers	42,762	45,063	46,559	48,107	49,561	50,839	52,510	54,017	55,614	57,535	58,943
Finance costs	6,853	7,086	7,387	7,921	8,330	8,174	7,963	7,621	7,044	6,403	5,910
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total application of operating funding (B)	49,615	52,149	53,946	56,028	57,891	59,013	60,473	61,638	62,658	63,938	64,853
Surplus (deficit) of operating funding (A - B)	8,626	8,970	10,451	12,308	14,931	18,039	19,433	21,456	24,302	28,388	31,189
Sources of capital funding											
Subsidies and grants for capital expenditure	4,780	5,698	5,346	4,497	5,471	7,201	9,819	9,396	9,923	15,158	19,086
Development and financial contributions	160	132	132	132	132	132	132	132	132	132	132
Increase (decrease) in debt	5,588	3,124	8,464	6,890	4,898	(2,715)	(3,237)	(6,488)	(9,918)	(8,343)	(5,652)
Gross proceeds from asset sales	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	191	139	139	139	139	139	139	139	139	139	139
Total sources of capital funding (C)	10,718	9,093	14,081	11,658	10,640	4,757	6,853	3,179	276	7,085	13,705
Application of capital funding											
Capital expenditure											
-to meet additional demand	0	0	0	0	88	1,884	0	4,742	4,815	0	0
-to improve the level of service	8,650	6,468	5,341	6,642	6,658	4,820	5,418	3,434	3,435	5,270	4,713
-to replace existing assets	10,289	11,349	18,914	17,130	18,658	15,698	20,475	16,066	15,935	29,811	39,788
Increase (decrease) in reserves	405	247	277	193	168	393	393	393	393	393	393
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Application of capital funding (D)	19,345	18,063	24,532	23,965	25,571	22,796	26,286	24,635	24,578	35,473	44,894
Surplus (deficit) of capital funding (C - D)	(8,626)	(8,970)	(10,451)	(12,308)	(14,931)	(18,039)	(19,433)	(21,456)	(24,302)	(28,388)	(31,189)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Prospective statement of comprehensive income

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Income											
Rates (other than a targeted rate for water supply)	40,946	43,754	46,948	50,311	53,860	56,379	58,607	60,941	64,270	67,938	71,655
Subsidies and grants	8,433	9,636	8,859	8,168	9,681	11,445	14,260	14,188	14,644	20,183	24,418
Finance income	620	659	648	748	648	1,648	1,648	1,648	1,648	2,348	1,648
Development and financial contributions	160	132	132	132	132	132	132	132	132	132	132
User fees and other income	13,054	12,908	13,428	13,745	14,244	14,920	15,350	15,852	16,462	17,154	17,547
Gains	176	959	766	763	785	836	889	828	851	938	1,062
Total income	63,388	68,047	70,781	73,865	79,349	85,359	90,885	93,589	98,006	108,692	116,461
Expenditure											
Operating costs	29,166	30,965	31,967	33,052	34,030	34,809	35,964	36,954	38,014	39,340	40,120
Personnel costs	13,596	14,098	14,592	15,055	15,531	16,030	16,546	17,063	17,600	18,195	18,823
Finance costs	6,853	7,086	7,387	7,921	8,330	8,174	7,963	7,621	7,044	6,403	5,910
Depreciation and amortisation expense	14,445	14,958	14,898	15,423	16,293	16,601	17,425	18,366	18,761	19,748	21,019
Total operating expenditure	64,061	67,107	68,844	71,451	74,184	75,614	77,898	80,004	81,420	83,686	85,872
Profit/(loss)	(673)	940	1,937	2,414	5,165	9,745	12,987	13,585	16,586	25,006	30,589
Other comprehensive income											
Gains on infrastructure assets revaluation	29,200	0	30,158	43,935	0	44,556	44,861	0	49,805	58,874	0
Gains on land and buildings revaluation	0	2,869	0	0	9,080	0	0	10,405	0	0	12,013
Total other comprehensive income	29,200	2,869	30,158	43,935	9,080	44,556	44,861	10,405	49,805	58,874	12,013
Total comprehensive income	28,528	3,809	32,094	46,349	14,245	54,301	57,849	23,990	66,392	83,880	42,602

Prospective statement of financial position

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Current assets											
Cash and cash equivalents	6,612	3,694	4,061	4,342	4,599	5,082	5,565	6,045	6,527	7,014	7,504
Trade and other receivables	6,850	7,000	7,224	7,446	7,668	7,892	8,118	8,336	8,557	8,793	9,035
Inventories	200	100	100	100	100	100	100	100	100	100	100
Non-current assets held for sale	-	900	900	900	900	900	900	900	900	900	900
	13,662	11,694	12,285	12,788	13,267	13,974	14,683	15,382	16,083	16,808	17,539
Non-current assets											
Investment property	6,728	25,538	26,304	27,067	27,852	28,687	29,577	30,405	31,256	32,194	33,256
Forestry assets	5,656	4,241	4,241	4,241	4,241	4,241	4,241	4,241	4,241	4,241	4,241
Intangible assets	112	518	457	416	389	591	476	399	347	313	289
Investment in Wanganui District Council Holdingd Limited	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162
Other financial assets	3,955	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680
Property, plant and equipment	921,233	853,171	892,747	945,071	963,289	1,013,445	1,066,889	1,083,248	1,138,528	1,212,769	1,248,287
	947,846	898,309	938,590	991,637	1,010,612	1,061,805	1,116,024	1,133,134	1,189,214	1,264,358	1,300,915
Total assets	961,508	910,003	950,875	1,004,425	1,023,879	1,075,780	1,130,707	1,148,515	1,205,297	1,281,165	1,318,454
Current liabilities											
Trade and other payables and provisions	5,563	8,000	8,256	8,510	8,763	9,020	9,277	9,527	9,779	10,050	10,326
Borrowings	1,122	1,829	1,706	3,303	3,436	5,035	6,167	9,488	10,418	10,445	9,521
Employee benefits	1,505	1,800	1,858	1,915	1,972	2,029	2,087	2,144	2,200	2,261	2,323
Deferred tax liability	-	600	600	600	600	600	600	600	600	600	600
	8,190	12,229	12,420	14,327	14,770	16,684	18,131	21,759	22,998	23,356	22,770
Non-current liabilities											
Borrowings	92,169	96,861	105,448	110,741	115,506	111,192	106,824	97,015	86,166	77,796	73,068
Derivative financial assets	(784)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Employee benefits	150	450	450	450	450	450	450	450	450	450	450
	91,535	102,311	110,898	116,191	120,956	116,642	112,274	102,465	91,616	83,246	78,518
Total liabilities	99,725	114,540	123,317	130,518	135,727	133,327	130,405	124,224	114,614	106,602	101,288
Net assets	861,783	795,463	827,557	873,907	888,152	942,453	1,000,302	1,024,292	1,090,684	1,174,564	1,217,166
Equity											
General reserves	545,727	534,483	536,143	538,364	543,361	552,713	565,308	578,500	594,693	619,306	649,503
Revaluation reserves	251,114	211,655	241,813	285,748	294,828	339,384	384,245	394,650	444,455	503,329	515,342
Restricted reserves	64,942	49,325	49,602	49,795	49,963	50,356	50,749	51,142	51,535	51,928	52,321
Total equity	861,783	795,463	827,557	873,907	888,152	942,453	1,000,302	1,024,292	1,090,684	1,174,564	1,217,166

Prospective statement of cash flows

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Cash flows from operating activities											
Cash was provided from:											
Receipts from customers	62,732	66,429	69,143	72,133	77,695	82,651	88,123	90,895	95,287	105,170	113,510
Interest received	510	659	648	648	648	648	648	648	648	648	648
Dividends received	110	-	-	100	-	1,000	1,000	1,000	1,000	1,700	1,000
	63,352	67,088	69,791	72,881	78,342	84,299	89,771	92,542	96,934	107,518	115,157
Cash was applied to:											
Payments to suppliers and employees	42,762	45,063	46,245	47,796	49,251	50,525	52,195	53,711	55,306	57,204	58,605
Interest paid	6,853	7,086	7,387	7,921	8,330	8,174	7,963	7,621	7,044	6,403	5,910
	49,615	52,149	53,633	55,717	57,581	58,698	60,158	61,331	62,350	63,606	64,515
Cash flows from operating activities	13,737	14,939	16,158	17,164	20,762	25,601	29,613	31,211	34,585	43,912	50,642
Cash flows from investing activities											
Cash was applied to:											
Purchase of fixed assets	18,940	17,816	24,255	23,772	25,403	22,403	25,893	24,242	24,185	35,080	44,501
	18,940	17,816	24,255	23,772	25,403	22,403	25,893	24,242	24,185	35,080	44,501
Cash flows from investing activities	(18,940)	(17,816)	(24,255)	(23,772)	(25,403)	(22,403)	(25,893)	(24,242)	(24,185)	(35,080)	(44,501)
Cash flows from financing activities											
Cash was provided from:											
Loans raised	6,710	4,893	9,955	9,725	8,184	2,540	2,845	2,910	300	1,997	3,757
	6,710	4,893	9,955	9,725	8,184	2,540	2,845	2,910	300	1,997	3,757
Cash was applied to:											
Repayment of loans	1,122	1,769	1,491	2,835	3,286	5,255	6,082	9,398	10,218	10,340	9,409
	1,122	1,769	1,491	2,835	3,286	5,255	6,082	9,398	10,218	10,340	9,409
Cash from financing activities	5,588	3,124	8,464	6,890	4,898	(2,715)	(3,237)	(6,488)	(9,918)	(8,343)	(5,652)
Net movement in cash balance	385	247	367	282	257	483	483	481	481	488	490
Opening cash balance	6,227	3,447	3,694	4,061	4,342	4,599	5,082	5,565	6,045	6,527	7,014
Closing cash balance	6,612	3,694	4,061	4,342	4,599	5,082	5,565	6,045	6,527	7,014	7,504
Represented by											
Cash	6,612	3,694	4,061	4,342	4,599	5,082	5,565	6,045	6,527	7,014	7,504
	6,612	3,694	4,061	4,342	4,599	5,082	5,565	6,045	6,527	7,014	7,504

Prospective statement of changes in equity

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Equity at 1 July	833,255	791,654	795,463	827,557	873,907	888,152	942,453	1,000,302	1,024,292	1,090,684	1,174,564
Total comprehensive income	28,528	3,809	32,094	46,349	14,245	54,301	57,849	23,990	66,392	83,880	42,602
Equity at 30 June	861,783	795,463	827,557	873,907	888,152	942,453	1,000,302	1,024,292	1,090,684	1,174,564	1,217,166
Represented by:											
Retained earnings											
Balance at 1 July	546,645	533,790	534,483	536,143	538,364	543,361	552,713	565,308	578,500	594,693	619,306
Transfers (to)/from restricted reserves	(245)	(247)	(277)	(193)	(168)	(393)	(393)	(393)	(393)	(393)	(393)
Surplus/(deficit) for the year	(673)	940	1,937	2,414	5,165	9,745	12,987	13,585	16,586	25,006	30,589
Balance at 30 June	545,727	534,483	536,143	538,364	543,361	552,713	565,308	578,500	594,693	619,306	649,503
Restricted reserves											
Balance at 1 July	64,697	49,078	49,325	49,602	49,795	49,963	50,356	50,749	51,142	51,535	51,928
Transfers (to)/from retained earnings	245	247	277	193	168	393	393	393	393	393	393
Balance at 30 June	64,942	49,325	49,602	49,795	49,963	50,356	50,749	51,142	51,535	51,928	52,321
Asset revaluation reserves											
Balance at 1 July	221,914	208,786	211,655	241,813	285,748	294,828	339,384	384,245	394,650	444,455	503,329
Revaluation gains/(losses)	29,200	2,869	30,158	43,935	9,080	44,556	44,861	10,405	49,805	58,874	12,013
Balance at 30 June	251,114	211,655	241,813	285,748	294,828	339,384	384,245	394,650	444,455	503,329	515,342
Total Equity	861,783	795,463	827,557	873,907	888,152	942,453	1,000,302	1,024,292	1,090,684	1,174,564	1,217,166

Note: Closing equity as per the 2011/12 Annual Plan and opening equity for 2012/13 differ due to the timing of these relative forecasts and the impact of actual revaluation and financial movements that have occurred during 2010/11 and the financial year to date.

Prospective statement of reserve funds

	Annual Plan 2011/12 \$000	Proposed budget 2012/13 \$000	Proposed budget 2013/14 \$000	Proposed budget 2014/15 \$000	Proposed budget 2015/16 \$000	Proposed budget 2016/17 \$000	Proposed budget 2017/18 \$000	Proposed budget 2018/19 \$000	Proposed budget 2019/20 \$000	Proposed budget 2020/21 \$000	Proposed budget 2021/22 \$000
Total restricted reserves											
Reserves at 1 July	64,697	49,078	49,325	49,602	49,795	49,963	50,356	50,749	51,142	51,535	51,928
Deposits to reserves	632	384	414	500	500	530	530	530	530	530	530
Withdrawals from reserves	(387)	(137)	(137)	(307)	(332)	(137)	(137)	(137)	(137)	(137)	(137)
Reserves at 30 June	64,942	49,325	49,602	49,795	49,963	50,356	50,749	51,142	51,535	51,928	52,321
Self Insurance reserve											
Reserves at 1 July	904	1,083	1,217	1,351	1,601	1,851	2,101	2,351	2,601	2,851	3,101
Deposits to reserves	50	134	134	250	250	250	250	250	250	250	250
Withdrawals from reserves	-	-	-	-	-	-	-	-	-	-	-
Reserves at 30 June	954	1,217	1,351	1,601	1,851	2,101	2,351	2,601	2,851	3,101	3,351
City Endowment											
Reserves at 1 July	29,746	20,502	20,515	20,528	20,541	20,554	20,567	20,580	20,593	20,606	20,619
Deposits to reserves	150	150	150	150	150	150	150	150	150	150	150
Withdrawals from reserves	(207)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)	(137)
Reserves at 30 June	29,689	20,515	20,528	20,541	20,554	20,567	20,580	20,593	20,606	20,619	20,632
Harbour Endowment											
Reserves at 1 July	24,413	25,090	25,120	25,150	25,180	25,210	25,240	25,270	25,300	25,330	25,360
Deposits to reserves	132	30	30	30	30	30	30	30	30	30	30
Withdrawals from reserves	-	-	-	-	-	-	-	-	-	-	-
Reserves at 30 June	24,545	25,120	25,150	25,180	25,210	25,240	25,270	25,300	25,330	25,360	25,390
Restricted reserves, trust and bequest funds*											
Reserves at 1 July	9,634	2,404	2,474	2,574	2,474	2,349	2,449	2,549	2,649	2,749	2,849
Deposits to reserves	300	70	100	70	70	100	100	100	100	100	100
Withdrawals from reserves	(180)	-	-	(170)	(195)	-	-	-	-	-	-
Reserves at 30 June	9,754	2,474	2,574	2,474	2,349	2,449	2,549	2,649	2,749	2,849	2,949

*These are funds subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the council or third party. Transfers from these reserves, may be made where appropriate and in conformance with legal obligations, for certain specified purposes or when certain specified conditions are met.

Policies

Revenue and financing policy
Liability management policy
Investment policy
Development contributions policy
Policy on determining significance
Water and sanitary assessment summary
Statement of accounting policies

Revenue and financing policy

A new financial strategy

The Council has developed a new financial strategy which, during the 10 years from 2012-2022, will:

- Focus on debt levels and debt repayments through implementation of a debt retirement programme
- Balance the level of rates increases with the community's ability to pay
- Use the principles of intergenerational equity to spread the benefit of the cost of a service and use of debt to fund significant capital projects
- Use any distributions of income from investments or sale of assets to repay debt.

Financial sustainability

Council must be financially sustainable to continue delivering services to its communities in the future. This involves a balancing act of delivering services desired by the community while keeping the income required affordable, ensuring equity between current and future generations, fairly sharing the costs of delivering these services across different users and maintaining a strong balance sheet.

Business drivers

The factors driving the costs of delivering Council services are:

Growth

While the population is static there is growth in the number of households due to an ageing population and increasing single parent families

+ Price changes

Inflation and increases in consumer and local government goods means that it will cost councils more to do business

+ Urban and rural communities

Having both urban and rural communities' means that services need to meet the needs of both

+ Service level changes

The level of each service affects what resources, capabilities and assets are required to be funded

+ Assets owned

Changes in the number of type of assets through disposal and acquisition

+ Asset renewals

The cost of maintaining assets corresponds to the useful life of those assets

+ Existing debt levels

Borrowing money now to fund infrastructure for future generations comes with interest costs

- Efficiencies and innovation

Finding efficiencies in the way we do business and provide services

= Expenditure required

We have struggled with rates revenue due to rate increases limited to the rate of inflation. We have done well at holding operating costs but have borrowed more and therefore have growing pressure from interest.

The financial challenges we face

There are a number of factors which are expected to impact on the Council's management of the business and its finances over the 2012-2022 period. These are outlined below:

Economic climate and growth – Over the previous years, there has been considerable publicity about the global economic recession. While economic commentators are projecting that the economic climate will improve from hereon, they are uncertain about the rate at which it will do so. The district is, however, expected to continue growing by an average of 70 new properties per annum.

Affordability – The Council continues to be concerned about the resulting level of rate increases that have been needed to fund the services it delivers, and the impact of these on the community. We are aware that the income levels of residents within the district are generally lower than the New Zealand average and that it is likely that some of our residents on low incomes are reaching their limits in terms of ability to pay.

The Council also wishes to encourage economic growth, so the affordability of rates to our commercial ratepayers is also a concern. Balancing these concerns with continued customer expectations for maintained and improved services is a challenge.

Minimising risk

The Council has to make some assumptions about what will happen in the future, but this will always bring with it a level of risk. We are susceptible to

Revenue and financing policy

natural events such as floods which require funding to be sourced for unplanned correction works. We also have the risk of earthquakes and many unstrengthened buildings.

Earthquake strengthening rate

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.

The Canterbury earthquakes have raised awareness of New Zealand's vulnerability to natural disasters. Wanganui has a number of buildings which are classified as 'earthquake-prone' and Council is required to develop an Earthquake Policy that sets out strengthening requirements for building owners. As a building owner, the Council is potentially looking at a substantial cost to get its own buildings up to standard. In light of this, Council has developed an 'Earthquake strengthening rate'. We aim to raise \$20 million over the next 10 years and as detailed assessments and new information come to light, we will plan and prioritise the works required.

The Earthquake strengthening rate is charged per property (SUIP) and is differentiated on whether a property is classified as residential, farming or commercial. The commercial category pays \$1 (including GST) per property (SUIP) more as those properties gain from the same or more people being attracted to the commercial area.

Debt retirement policy

In order for Council to be sustainable in the long term, debt must be held at a prudent and manageable level. Council is aware that much of the debt balance is from the necessary infrastructure works over the last 30 years. The district is therefore in good shape for the future with good infrastructure in place. Council has resolved to set a 'Debt retirement rate'. This rate is targeted to the infrastructure activity the Council resolves to retire debt in for the year. It is differentiated in the same way as the original

infrastructure rate rose to do the capital works. A flat fee for those properties not connected or are not capable of being connected to an infrastructure network may be charged on a per SUIP basis.

A summary of the principles and tools used in our financial strategy

- Recognise that an integrated plan contains many competing variables and that trade-offs will occur in order to achieve a sustainable Council and a balanced budget
- Use of the principle of inter-generational equity to spread the cost of a service to those who benefit and accept that raising debt is the best way to pay for large projects
- Use robust asset management planning to underpin our expenditure and continually review and renew our capital assets, but prioritise spending upon them
- Awareness of the community's ability to pay for their rates bill and acknowledge the economic conditions of our community
- Prudence – being careful with deliberation – and producing a balanced budget
- Council regularly analyses who benefits from a service and how they should pay for services
- Balance our fiscal responsibilities with our Family-friendly Strategy and the community wellbeings which are enshrined in legislation
- Acknowledge that most of Council's debt is created by major infrastructural projects
- Any distributions of income from Council's investments or proceeds from the sale of assets will generally be used to repay debt

Overview of funding mechanisms

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.

Revenue and financing policy

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 residential, farming and commercial. 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. The percentages will have small movements year to year as the rating information database changes.

Funding of expenses

The Council sets its long-term revenue to fund its ongoing operation and asset management programmes as outlined within this plan. The sources used depend on Council's analysis of individual activities and are outlined in the table below. It outlines the funding mechanism used for individual activities. These mechanisms fall under three headings: General rates, targeted rates and fees and subsidies. 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. The Council will fund its capital spending for new assets primarily from borrowing where intergenerational equity principles and benefits occur. The borrowing will be repaid from rates. Renewals of existing assets may be rates and/or loan funded.

Revenue and financing policy

Funding mechanisms

Activity and rate type	Differential basis	Basis of charging	Development contributions	Loan funding	Targeted rates	Fees and charges & Grants and subsidies
Community facilities rate						
Parks and reserves		SUIP		Part		Part
Swimming pools		SUIP		Part		Part
Community and operational property portfolio		SUIP		Part		Majority
Cemeteries		SUIP		Part		Majority
Central Business District maintenance		SUIP		Part	Part CBD rate	Part
Community buildings and rural halls		SUIP				Part
Libraries		SUIP		Part		Part
Sarjeant Gallery		SUIP		Part		Part
Royal Wanganui Opera House		SUIP		Part		Part
Regional Museum		SUIP				Part
Airport		SUIP				Majority
War Memorial Hall – Conference and Convention Centre		SUIP		Part		Majority
Central Business District parking		SUIP				Full
Sea port (Harbour Endowment)		SUIP				
Investments		SUIP				Part
General rate						
Community development	Use	Land value				Part
Economic development	Use	Land value				Part
Emergency management (Civil Defence)	Use	Land value		Part	Part	Part
Emergency management (Rural Fire)	Use	Land value		Part		
Regulatory services	Use (CV2*)	Land value		Part		Majority
Pensioner housing				Part		Full
Governance	Use	Land value		Part		
Waste minimisation	Use	Land value		Part		Part (Subsidy)
Waterways and natural drainage	Use (CVU**)	Land value		Part		
Earthquake strengthening rate	Use	SUIP		Part	Full, commercial category additional	
Debt retirement rate	Connection	CV & SUIP			Full, differentials and flat charge	
Roading and footpaths rate						
Footpaths and berms	Use (CVU**)	Capital Value			Full	
Roading	Use	Capital Value	Part	Part	Part and rural separate works rates	Majority (Subsidy and petrol tax)
Wastewater disposal rate						
Wastewater		Connection		Part	Majority, tradewaste charges, rural schemes	Part
Stormwater disposal rate						
Stormwater	Connection	Capital Value	Part	Part	Majority	Part
Water supply and fire fighting capacity						
City water supply		Connection	Part	Part	Majority, metered consumption and rural schemes	Part

Revenue and financing policy

Definitions used in funding mechanisms

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.

Full means that the full cost of the activity is funded from that particular funding source.

Majority means the majority of the activity is funded from that source.

Part means less than the majority of this activity is funded from that funding source.

Use refers to the fact the rate is differentiated depending on the activity carried out on the property.

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.

Rural means part of the activity is funded by a rate targeted to a defined community. The rate only funds the cost of a scheme that benefits that defined community.

Pensioner housing

The Pensioner housing activity requires no contribution from rates. However, it has a loan balance from capital expenditure on upgrading the property in the past.

Harbour Endowment property portfolio and the Sea port activity

The Harbour Endowment property portfolio generates income for the Sea port activity and has no rates requirement.

Basis for selection of mechanisms to fund operating expenses

Fees and charges may be used to fund 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. The rate is charged per dollar of land value.

Uniform annual general charge is used to fund community benefits and wider public goods. The Community facilities rate is a uniform annual general charge as Council believes being uniform and applying a charge

Revenue and financing policy

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.

Infrastructure targeted rates – the Wastewater disposal rate, the Stormwater disposal rate and the Water supply and firefighting capacity rate are not differentiated into residential, farming or commercial groups. The rates for these activities are differentiated based on usage of the service to ensure equity and for efficient revenue collection.

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.

Grant and subsidies are used where they are available.

Basis for selection of mechanisms to fund 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 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. Borrowing will generally be applied to capital works. 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 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 programmes. Council's total debt

balance is applied to the activities where the expenditure occurred. Council's debt retirement policy aims to keep the borrowings balance at a sustainable level over the long term.

Interest and dividends from investments and net rental income is used to offset the cost of provision of other services or repay debt. 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.

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 refers to the application of the Council's Development contributions policy through which 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.

Storm means part of the activity is funded by a Storm damage rate. The Storm damage rate is only applied, as required, in years following a storm.

Lump sum contributions are used to fund an activities capital requirement.

Financial contributions under the Resource Management Act 1991 are used to fund an activities capital requirement.

Financial management and balanced budget

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.

Revenue and financing policy

The Council must make adequate and effective provision in its 10-Year Plan to meet the expenditure needs identified in the plan, with regard to:

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life
- the Council's funding and financial policies.
- Projected cash surpluses may be used to repay debt, fund new capital expenditure or new operating expenditure.

The funding needs of the Council must be met from those sources that the Council determines to be appropriate for the activity, following consideration of:

- The Community Outcomes to which the activity primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which actions/inactions of individuals or groups contribute to the need to undertake an activity.
- The cost and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
- 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.

Council, in arriving at the funding mechanism for each activity, has considered the overall mix of funding and the effect this has on the district's ratepayers.

The rates are set under sections 13, 16 and 19 of the Local Government (Rating) Act 2002.

All rates are GST inclusive.

Definitions

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.

Residential means

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

Farming

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

Commercial or industrial properties means:

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

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

- A home occupation as defined by the operative Wanganui District Plan; and farming or horticulture.

'Connected' means the rating unit is connected to the relevant infrastructure reticulation system.

'Serviceable' means the relevant infrastructure reticulation system is available but is not connected.

Community facilities rate

A uniform annual general charge per separately used or inhabited part of a rating unit. This rate is charged to pay for the following activities:

- Parks and reserves
- Swimming pools
- Community and operational property portfolio
- Cemeteries
- Central Business District maintenance
- Community buildings and rural halls
- Libraries
- Sarjeant Gallery
- Royal Wanganui Opera House
- Regional Museum
- Airport
- War Memorial Hall – Conference and Convention Centre
- Central Business District parking
- Sea port (Harbour Endowment)
- Investments

General rate

A general rate on the land value of each rating unit and differentiated based on use and area. This rate is charged to pay for the following activities:

- Community development
- Economic development
- Emergency management (Civil Defence)
- Emergency management (Rural Fire)
- Regulatory services
- Pensioner housing
- Governance
- Waste minimisation
- Waterways and natural drainage

The differentials are:

- Rating units in the Commercial category
- Less than .5 hectares means – Any rating unit not included in the Commercial category with a land area of less than 5,000 square metres
- 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
- 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
- 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
- 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
- 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
- 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
- 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.

Targeted rates

Earthquake strengthening rate

A differentiated targeted rate for earthquake strengthening works on Council owned buildings on each rating unit in the 'Residential', 'Farming'

and 'Commercial' categories. The Commercial category is charged an additional \$1.00.

Roading and footpaths rate

A differentiated targeted rate for roading and footpaths per dollar of the capital value of each rating unit in the 'Residential', 'Farming' and 'Commercial' categories.

Debt retirement rate

A differentiated targeted rate to retire debt attributable to the costs of the city stormwater disposal system or other infrastructure reticulation system as decided by the Council on the basis of per dollar of the capital value of each rating unit that has a connection or for which connection is available. The categories are 'Connected', 'Serviceable', and 'Other'. Rating units in the 'Other' category are charged a flat rate.

Serviceable means a rating unit that is not connected but is practicably able to be connected and within 30 metres of the City stormwater disposal system.

Other means a rating unit that is not in the 'Connected' or 'Serviceable' category.

Water

City water supply

A differentiated targeted rate for City water supply per separately used or inhabited part of a rating unit in the 'Connected' and 'Serviceable' categories. The 'Serviceable' category is charged half of the 'Connected' charge.

The Rural extraordinary category is charged a minimum charge per separately used or inhabited part of a rating unit for up to 310 cubic metres of water and is charged per cubic metre consumed for supply in excess of 310 cubic metres.

Rural extraordinary means any rating unit in the rural ward, excluding the Westmere water supply and where there is no water supply available.

The Metered supply category is charged per cubic metre of water consumed and is subject to a minimum charge which gives an allocation of 310 cubic metres.

Metered supply means any rating unit that is not domestic or 'Rural extraordinary' and that is connected to the applicable water supply. Per the Water supply bylaw 2008, ordinary use is not normally metered. Extraordinary use may be metered where water usage is excessive according to the Water supply bylaw 2008.

Note that the Putiki South and Airport water supply categories are now included in the City water supply.

City water supply firefighting capacity

A targeted rate for the provision of firefighting on rating units within the City water supply area per dollar of capital value on each rating unit. For firefighting, the City water supply area excludes the 'Rural extraordinary' differential category and the Mowhanau water supply area.

The City water supply is within the area of the urban boundary per the operative District Plan.

Maxwell water supply

A differentiated targeted rate to meet the costs of the Maxwell water supply system per separately used or inhabited part of a rating unit in the 'Residential' category and per hectare on every rating unit in the 'Dairy' and 'Rural' categories. And per cubic metre of water supplied to every rating unit connected to the Maxwell water system. This rate is subject to a minimum charge.

Residential means a rating unit connected to the Maxwell water supply system that is not Dairy or Rural.

Dairy means a rating unit that is not residential and is a dairy farm connected to the Maxwell water supply system.

Rural means rating unit that is not residential or a dairy farm that is connected to the Maxwell water supply system.

Westmere water supply

A targeted rate to meet the cost of the Westmere water supply per cubic metre of water supplied to any rating unit connected to the Westmere water system. This rate is subject to a minimum charge.

Fordell water supply

A differentiated targeted rate to meet the costs of the Fordell water supply per separately used or inhabited part of a rating unit in the 'Residential' category connected to the Fordell water system.

Residential means a rating unit connected to the Fordell water system.

The rating units connected to the Fordell water system in the 'Rural' and 'Dairy' categories are charged on a per hectare basis.

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

Dairy means any rating unit primarily used as a dairy farm.

Fordell Saleyards is charged per cubic metre supplied.

Wastewater

City wastewater

A differential targeted rate for the operations, maintenance and development of the city wastewater disposal system per separately used or inhabited part of a rating unit in the 'Residential' category and the 'Other one pan' category. The 'Other multi pans' category pays a half charge.

Residential means any rating unit used as a residence for not more than one household and connected to the city wastewater disposal system.

Other one pan means only one pan connected to the city wastewater system.

Other multi pans means more than one pan connected to the city wastewater system.

Marybank wastewater

A differential targeted rate to meet the costs of the Marybank wastewater disposal system charged per separately used or inhabited part of every rating unit in the 'Connected' category. The Serviceable category is charged half the 'Connected' charge.

Mowhanau wastewater

A differential targeted rate to meet the costs of the Mowhanau wastewater disposal system charged per separately used or inhabited part of every rating unit in the 'Connected' category. The Serviceable category is charged half the 'Connected' charge.

Trade waste charges

A targeted rate to meet the costs of the conveyance, treatment and disposal of large volume trade waste discharges through the city wastewater disposal system, on the basis of the extent of the provision of the service. The rates will be based on the following:

Per m³ of effluent volume discharged, plus
Per kg/d annual average biochemical oxygen demand (BOD), plus
Per kg/d averaged 3 day peak period biochemical oxygen demand (BOD), plus
Per kg suspended solids (SS) measured on an average basis for properties that generate greater than 100 cubic metres on average per day

Stormwater

A differentiated targeted rate to meet the costs of the city stormwater disposal system on the basis per dollar of the capital value of each rating unit that has a connection or for which connection is available. The categories are 'Connected' and 'Serviceable'. 'Serviceable' pays half the charge of the 'Connected' category.

Serviceable means a rating unit that is not connected but is practicably able to be connected and within 30 metres of the City stormwater disposal system.

Stormwater separation loans

A targeted rate to meet the repayment of advances made to assist with the costs of separation of stormwater and wastewater.

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.

Central Business District (CBD) services

A differential targeted rate to meet the costs of CBD cleaning, maintenance and the Mainstreet Wanganui promotional levy on all commercial rating units in CBD A and CBD B as follows:

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.

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

Separate works rates

Targeted rates based on the land value of each rateable property in the appropriate area to finance the costs of capital development of the roading network in the areas defined as follows:

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

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.

Revenue and financing policy

Parks and reserves		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by the community at large for sporting and recreational purposes. The benefit of open space is available equally to the community.	
	Private benefits The private benefit accrues to individuals and groups who use the parks and reserves.	
	Public benefits Reserves provide opportunities for all types of recreational use, thereby contributing to the health of the wider community. The presence of parks and reserves within the district makes the district a green and pleasant place for the community as a whole to enjoy.	
	Community Outcomes / Council themes Active and culturally rich To enable active and healthy lifestyles through the provision of sporting and recreational facilities.	
Period of benefit	There are intergenerational equity benefits as the parks and reserves have long useful lives and provide benefits for both current and future ratepayers.	
Whose acts created a need?	Public desire to have pleasant facilities for sport and recreation.	
Separate funding	The nature of this activity indicates that it should be accounted for separately. The activity has a large number of facilities and associated costs and Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Community facilities rate	5-100%
Rationale for service delivery	To provide spaces for people to participate in active and passive recreation. Such spaces would not be provided by the market.	
Rationale for funding sources	While the private benefit accrues to individuals who use the parks and reserves, there is no particular means of charging for individual use. Leases to sports groups are set at between the cost to Council of providing the service and what the market is prepared to pay. As the service is available to all within the district and the level of benefit is not affected by property values, Council believes that the balance should be funded as a uniform charge per property via the Community facilities rate.	
Swimming pools		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used mainly by private individuals. The provision of swimming pools in communities provides a safe and secure environment for persons wishing to indulge in recreational water sports suitable to a pool environment. The Council supports recreational sport as it is seen to add to the physical health of residents and visitors. Wanganui currently has two public pools, the heated indoor Splash Centre and the outdoor Wanganui East pool.	
	Private benefits The most direct beneficiaries are pool users. They include individuals, adults and children, clubs and schools.	
	Public benefits The benefits of swimming pools can be attributed to the wider community in terms of health and social cohesion. In addition, swimming and other water skills are seen to be essential in an island country like New Zealand where so many people enjoy boating and swimming in rivers and the sea. The community benefits from having fewer deaths by drowning as a result of the confidence and water skills learned in a swimming pool.	
	Community Outcomes / Council themes Active and culturally rich To enable active and healthy lifestyles through the provision of sporting and recreational facilities.	

Revenue and financing policy

Period of benefit	There are inter-generational equity benefits as the swimming pools have large capital expenditure and long useful life and provide benefits for both current and future ratepayers.	
Whose acts created a need?	The public desire to have a safe place to swim and to learn to swim. Schools closing their own swimming pools increases the need for public pools.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Rate funding	5-100%
Rationale for service delivery	To enable the public to engage in pool-based aquatic activities in a safe and controlled environment. Swimming pools are traditionally provided by local authorities due to the private sector being unable to get a market return.	
Rationale for funding sources	As the market will not pay a fee that reflects the cost of the service, the private benefit from use is set at a level the market will pay. As the service is available to all within the district and the level of benefit is not affected by property values, the Council believes that the balance should be funded as a uniform charge per property via the Community facilities rate.	

Community and operational property portfolio

Who benefits?	<p>Parts of the community that benefit Property assets are used by a large number of council activities and thus indirectly benefit the whole community.</p> <p>Private benefits The major benefit is to the people or groups who occupy the property.</p> <p>Public benefits Some of the properties in this group are held for the public good in that they are expected to be of strategic importance in the future.</p>	
Community Outcomes / Council themes	<p>Economic prosperity To ensure infrastructure meets the needs of current users and future development.</p>	
Period of benefit	There are inter-generational equity benefits if the properties are maintained so that they can be used by future generations.	
Whose acts created a need?	Properties that are vested in the Council for safe keeping. The need to purchase property now in order to meet future demand for services.	
Separate funding	Council's direct management of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Community facilities rate	5-100%
Rationale for service delivery	To provide a market return on assets and to hold assets for long-term strategic reasons.	
Rationale for funding sources	Market rates should provide Council with a return greater than costs for its investment property. Over the years, the number of properties held in the portfolio for strategic and non-financial reasons has meant that the portfolio now requires funding from rates. As the service potentially benefits all other activities and is not affected by property values, Council believes that the balance should be funded as a uniform charge per property via the Community facilities rate.	

Revenue and financing policy

Cemeteries		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by private individuals. There are five cemeteries within the district: Aramoho, Heads Road, Brunswick, Matarawa and Maxwell.	
	Private benefits The service primarily provides a private benefit for the family and friends of the deceased.	
	Public benefits The cost of establishing and maintaining grounds, which are in the nature of a reserve and are open to the general public. Records of interment have a clear relationship to the history of the community and are public information.	
	Community Outcomes / Council theme Safe and healthy community To improve people's health, safety and welfare through provision of regulatory activities and other services.	
Period of benefit	There is little capital expenditure required for cemeteries other than provision of burial sites, although burial fees need to reflect ongoing maintenance in perpetuity. Burial records have historical intergenerational value.	
Whose act creates a need?	Human mortality creates the need as does the requirement to inter the deceased in facilities that meet requirements of the Public Health Act 1956. The number of plots available for choice, as well as the number of deceased, affect the level of service provided.	
Separate funding	The nature of this activity indicates that it should be accounted for separately. Council has a structure that can allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Fees and charges	0-5%
	Loan funding	0-95%
	Community facilities rate	5-100%
Rationale for service delivery	Cemeteries fulfil a social and cultural need in the community to have a special place of remembrance and a safe place to dispose of human remains.	
Rationale for funding sources	The most efficient and effective method of charging to reflect private benefit is user fees for plot and interment and cremation. Council considered that the most appropriate method to recover the public benefit of reserve grounds and historical records of interment is rates. As the service is available to all within the district and the level of benefit is not affected by property values, Council believes that the most appropriate rate is a uniform charge per property via the Community facilities rate.	
Central Business District maintenance		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by private individuals and businesses. The businesses in the CBD area benefit more than other parts of the community.	
	Private benefits The service provides additional private benefit for the businesses in the CBD area with a higher level of service for lighting, cleaning and beautification.	
	Public benefits The community at large benefits from an attractive place to shop and visit and from flow-on effects of economic prosperity.	
	Community Outcomes / Council themes Economic prosperity To ensure the city environment is visually attractive with quality urban design. To promote and market Wanganui to attract visitors and businesses and instil pride in our community.	

Revenue and financing policy

Period of benefit	The development of the CBD provides intergenerational equity as the assets have long lives.	
Whose act creates a need?	Property owners and the general public impact on the need for this activity.	
Separate funding	The nature of this activity, with its unique mix of public and private benefit, indicates that it should be accounted for separately. Council has a structure that can allocate costs to this activity.	
Operating funding sources	CBD targeted rate	50-60%
	Community facilities rate	40-50%
Capital funding sources	CBD targeted rate	5-20%
	Loan funding	80-95%
Rationale for service delivery	To provide a quality and vibrant CBD that encourages economic growth, is attractive and values our heritage.	
Rationale for funding sources	The activity provides higher benefits to premises in the CBD A and CBD B area categories than those in the rest of the district. These higher benefits are funded from CBD targeted rates. The benefits to the rest of the community are met from the Community facilities rate.	
Community buildings and rural halls		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by private individuals, groups and businesses.	
	Private benefits The private benefit is to those people who rent or use our facilities.	
	Public benefits 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, particularly in the rural communities.	
Community Outcomes / Council theme	Community partnerships To partner with the community on initiatives which benefit the community and social wellbeing.	
Period of benefit	As Council has decided not to replace these assets when they reach the end of their useful life, there are no large capital expenditure or intergenerational equity considerations. Consequently, the asset management plans for these facilities contemplate only repairs and maintenance over the next 10 years.	
Whose act creates a need?	Communities require indoor facilities to be available for community, club and family events. The Rural Halls Trust is responsible for administration of rural community halls.	
Separate funding	The nature and governance of this activity indicates that it should be accounted for separately. Council has a structure that can allocate costs to this activity.	
Operating funding sources	Fees and charges	80-95%
	Community facilities rate	5-20%
Capital funding sources	Loan funding	80-95%
	Community facilities rate	5-20%
Rationale for service delivery	To be a focal point for communities and to facilitate community spirit as well as to provide a venue for community activities. The service will not be provided by the market mainly due to the inability to charge when the facilities are not used.	
Rationale for funding sources	The most efficient and effective method of charging to reflect private benefit is user fees for hall hire. As the services are quasi-public goods, the fees are set between the marginal cost and what the market will provide. As the service is available to all within the district and the level of benefit is not affected by property values, Council considered that the most appropriate method to recover the public benefit is a uniform charge per property via the Community facilities rate.	

Revenue and financing policy

Libraries		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used for educational and recreational purposes. Core services provided are books of fiction and non fiction for adults and children, magazines, periodicals, newspapers, talking books, archives, genealogical and historical information, videos, compact discs including access to information in printed, audio and digital formats within the Library and online. Private benefits The private benefit accrues to individuals who borrow books or materials as these are used for the personal benefit of that individual. Public benefits 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.	
Community Outcomes / Council themes	Active and culturally rich To provide facilities to support the cultural needs of the community and to provide education, literacy and self improvement opportunities.	
Period of benefit	There are inter-generational equity issues in relation to libraries in maintaining a relevant and accessible collection for future generations. If Council decides to replace, enlarge or earthquake strengthen the Davis or Alexander Library buildings, these large capital costs would have intergenerational equity benefits.	
Whose acts created a need?	The public need for education, information and recreation.	
Separate funding	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.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Community facilities rate	5-100%
Rationale for service delivery	To provide an environment which supports the community in becoming self-sufficient and self-sustaining by meeting recreational, educational and informational needs. To supporting learning and literacy, including digital literacy.	
Rationale for funding sources	The market is unable to provide these services at a price the community is prepared to pay, so it is not possible for Council to recover all of the private benefit from the user. As such, a small portion of the cost will be recovered through rentals, fines for late return of items and associated fees and charges. As the service is available to all within the district and the level of benefit is not affected by property values, Council believes that the balance should be funded as a uniform charge per property via the Community facilities rate.	
Sarjeant Gallery		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used mainly by private individuals. The building is of historic and cultural significance to the district and the collection is nationally recognised. Private benefits The people and groups who visit. Public benefits The community at large benefits from a variety of exhibitions, public programmes and events throughout the year. Promotion of art, art history, education and life long learning opportunities are also public benefits.	
Community Outcomes	Active and culturally rich	

Revenue and financing policy

/ Council themes		To provide facilities to support the cultural needs of the community.	
Period of benefit		The storage of the collection for future generations has inter-generational equity benefits. There are intergenerational equity benefits as the Sarjeant Gallery has a long useful life and provides benefits for both current and future ratepayers. If Council decides to replace, extend or earthquake strengthen the Gallery building, these large capital costs would have inter-generational equity benefits.	
Whose acts created a need?		Public interest in art and in preserving the collection. A facility where the community can donate treasure that will be available for current and future generations.	
Separate funding		The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%	
	Community facilities rate	5-100%	
Capital funding sources	Loan funding	0-95%	
	Community facilities rate	5-100%	
		Other funding – bequests and donations	
Rationale for service delivery		To provide a community venue for exhibitions, forums, educational programmes and related community events. To maintain the nationally recognised collection of art for the benefit of current and future generations. The building and collection are a major tourist attraction.	
Rationale for funding sources		As the market will not pay a fee that reflects the cost of the service, the private benefit from entrance and exhibits is set at a level the market will pay. Bequests, while hard to predict, are also private funding sources. As the service is available to all within the district and the level of public benefit is not aligned to property value, Council believes the most appropriate method to recover the public benefit is a uniform charge per property via the Community facilities rate.	
Royal Wanganui Opera House			
Who benefits?		<p>Parts of the community that benefit</p> <p>This service is available to the whole community and is used mainly by private individuals. The facility is of historic significance to the district. People who are interested in cultural performances are likely to benefit more.</p> <p>Private benefits</p> <p>The people and groups who perform, or attend performances, at the venue.</p> <p>Public benefits</p> <p>The community at large benefits from a variety of performances throughout the year.</p>	
Community Outcomes / Council themes		<p>Active and culturally rich</p> <p>To provide facilities to support the cultural needs of the community.</p>	
Period of benefit		There are inter-generational equity benefits as the Opera House has a long useful life and provides benefits for both current and future ratepayers. If Council decides to replace or earthquake strengthen the Opera House building, these large capital costs would have inter-generational equity benefits.	
Whose acts created a need?		The people wishing to see or be in a performance create a need.	
Separate funding		The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%	
	Community facilities rate	5-100%	
Capital funding sources	Loan funding	0-95%	
	Community facilities rate	5-100%	
		Other funding – bequests and donations	

Revenue and financing policy

Rationale for service delivery	To provide a world-class community venue for a range of social, cultural, recreational and educational uses. To provide a focal point for theatrical productions and enable the local arts community to showcase its talents. To provide a venue for national and international events.	
Rationale for funding sources	The most efficient and effective method of charging to reflect private benefit is user fees for venue hire. As the services are quasi-public goods, the fees are set between the marginal cost and what the market will pay. As the service is available to all within the district and the level of public benefit is not aligned to property value, Council believes the most appropriate method to recover the public benefit is a uniform charge per property via the Community facilities rate.	
Whanganui Regional Museum		
Who benefits?	Parts of the community that benefit This activity is primarily geared toward meeting the cultural and social needs of the current and future generations. Private benefits There is a direct private benefit to users of the Museum. Public benefits There is also a public benefit in relation to the general promotion of social and cultural well-being for all residents and visitors to the district. The preservation of important historical items, and their education value, is also a public benefit.	
Community Outcomes / Council themes	Active and culturally rich To provide facilities to support the cultural needs of the community and to provide education, literacy and self improvement opportunities.	
Period of benefit	The storage of the collection for future generations has huge inter-generational equity benefits. If Council decides to replace or earthquake strengthen the Museum building, these large capital costs would have inter-generational equity benefits.	
Whose acts created a need?	The community's interest in preserving the past for the current and future generations.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Community facilities rate	5-100%
	Other funding – bequests and donations	
Rationale for service delivery	The facility provides for the preservation of Wanganui heritage and is a resource for entertainment and learning. It also provides for the exhibition of artefacts and is a tourist attraction. It is a facility that is highly regarded nationally with an outstanding collection of artefacts.	
Rationale for funding sources	As the market will not pay a fee that reflects the cost of the service, the private benefit from entry and exhibits is set at a level the market will pay. Bequests, while hard to predict, are also private funding sources. As the service is available to all within the district and the level of public benefit is not aligned to property value, Council believes the most appropriate method to recover the public benefit is a uniform charge per property via the Community facilities rate.	
Airport		
Who benefits?	Parts of the community that benefit This service is available to the whole community and it is used by individuals for transport and recreation. Commercial use is for businesses and the aviation industry, particularly agricultural and training. Facilities are also provided for aero medical aviation. Private benefits The primary benefit is to the individual users of the airport, aircraft operations and the travelling public. Public benefits The public benefit is that airport facilities are available when needed. This activity is an integral part of the wider transport network.	

Revenue and financing policy

Community Outcomes / Council theme	Economic prosperity To facilitate the provision of enhanced communication networks, enable efficient movement of people and goods.	
Period of benefit	This activity has inter-generational equity considerations in that it requires extensive capital expenditure. The benefit of that expenditure will be obtained over a large number of years.	
Whose act creates a need?	Acts of airport users and flight operators impact on the activity as does the government's policies.	
Separate funding	The Crown is a 50% owner of the airport with Council which makes it necessary to account for the activity separately. The Crown is a part-owner as it sees the airport as part of a larger network of aviation infrastructure. Council has a structure that can allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
	Other funding - Crown	10-25%
Capital funding sources	Community facilities rate	0-95%
	Loan funding	5-100%
	Other funding - Crown	50%
Rationale for service delivery	To enable the efficient movement of people and goods and to be part of a wider transportation network. This service would not be provided by the market as low usage does not allow a market return.	
Rationale for funding sources	The most efficient and effective methods of charging to reflect private benefit are landing fees, rent and parking. As it is not possible for landing fees, rent and parking to cover the full cost of providing the service, Council considered that the most appropriate method to recover the public benefit is via rates. As the service is available to all within the district and the level of benefit is not affected by property, Council believes that the most appropriate rate is a uniform charge per property via the Community facilities rate.	
War Memorial Hall – Conference and Convention Centre		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by private individuals and groups. It is a memorial to the men and women who died in World War II and is effectively Wanganui's town hall. Conference users also benefit from the venue. Private benefits The people and groups who rent or utilise the hall. These are mainly community groups and commercial interests for conferences, trade shows etc. Public benefits The community at large benefits from a variety of use of the Hall. It can be used as back-up infrastructure in times of Civil Defence emergencies.	
Community Outcomes / Council themes	Community partnerships To partner with the community on initiatives which benefit the community and social wellbeing.	
Period of benefit	There are intergenerational equity benefits as the War Memorial Hall has a long useful life and provides benefits for both current and future ratepayers. If Council decides to replace or earthquake strengthen the Hall, these large capital costs would have intergenerational equity benefits.	
Whose acts created a need?	Communities require indoor facilities to be available for community, club and commercial events.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%

Revenue and financing policy

	Rate funding	5-100%
	Other funding – bequests and donations	
Rationale for service delivery	To be a focal point for communities and to facilitate community spirit as well as to provide a venue for community activities. To provide a conference and events centre. The service will not be provided by the market mainly due to the inability to charge when the facilities are not used.	
Rationale for funding sources	The most efficient and effective method of charging to reflect private benefit is user fees for hall hire. As the services are quasi-public goods, the fees are set between the marginal cost and what the market will provide. As the service is available to all within the district and the level of benefit is not affected by property values, Council considered that the most appropriate method to recover the public benefit is a uniform charge per property via the Community facilities rate.	
Central Business District parking		
Who benefits?	Parts of the community that benefit This service is available to the whole community and is used by private individuals and businesses. The activity provides on and off street parking mainly in the Central Business District area but also at the airport. The service also monitors and enforces parking regulations and abandoned vehicles in the whole district. Private benefits The service provides private benefit for those using motor vehicles by providing car parking close to where people wish to shop. Provision of parking also allows other traffic to flow. Public benefits Council parking staff assist safety by checking vehicle warrant of fitness and registration. They also provide general information to the public and advise on events and activities.	
Community Outcomes / Council theme	Economic prosperity To facilitate the provision of enhanced communication networks and enable efficient movement of people and goods.	
Period of benefit	The development of parking spaces provides intergenerational equity as the assets have long lives.	
Whose act creates a need?	Vehicle owners and business owners who want customers to have easy access to their services. The merging of Police and Transport services in the mid 1980s has meant that there is less focus on stationary vehicle offences from other enforcement agencies.	
Separate funding	The nature of this activity with its unique mix of public and private benefit indicates that it should be accounted for separately. Council has a structure that can allocate costs to this activity.	
Operating sources funding	Fees and charges	5-100%
Capital sources funding	Fees and charges	0-95%
	Loan funding	5-100%
Rationale for service delivery	To enable traffic to flow. To provide safe pedestrian access and car parking and to ensure that vehicle owners have reasonable access to the limited number of car parks provided. To facilitate economic development by enabling people easy access to the CBD.	
Rationale for funding sources	The majority of benefit is to the individual user who parks their vehicle. As such, Council believes that this service should be completely funded from parking fees and fines. Any surpluses are first allocated to replacement of car parks and meters and after that would offset the Community facilities rate.	
Sea port		
Who benefits?	Parts of the community that benefit The sea port facilities provide for a range of recreational and commercial activities relating to coastal access. These include boat launching facilities and wharves for recreation, and commercial boat use. Private benefits The activity generates benefits to recreational groups such as boating clubs. It also benefits commercial operators of fishing vessels. Public benefits	

Revenue and financing policy

	The public benefit is that the facility is available for use. The port is also a part of a larger transportation network.	
Community Outcomes / Council themes	Economic prosperity To facilitate the provision of enhanced communication networks and enable efficient movement of people and goods.	
Period of benefit	There are inter-generational equity benefits as the sea port has large capital expenditure and a long useful life, and provides benefits for both current and future ratepayers.	
Whose acts created a need?	Harbour users.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity. The proceeds from the Harbour Endowment can only be used for port related expenditure.	
Operating funding sources	Fees and charges – berthing, rental and dredging	0-95%
	Harbour Endowment income	5-100%
Capital funding sources	Loan funding	0-95%
	Harbour Endowment income	5-100%
Rationale for service delivery	To provide facilities for safe recreational and commercial harbour usage. The port is considered an integral part of Wanganui’s infrastructure.	
Rationale for funding sources	The commercial users of the port are charged at a rate between Council costs and what the market will pay. The balance of the funding comes from the returns from the Harbour Endowment properties. There is no rate funding of this activity.	
Investments		
Who benefits?	Parts of the community that benefit All parts of the community benefit when investments reduce the funding required from rates.	
	Private benefits No individual property has a larger private benefit than any other property.	
	Public benefits The community benefits from the income generation from investments, which reduces the reliance on rates as a method of funding Council services. The benefits are public benefits.	
	By reducing rates payable, this activity contributes to all community outcomes fairly equally.	
Community Outcomes / Council themes	By reducing rates payable, this activity contributes to all community outcomes fairly equally.	
Period of benefit	There are intergenerational equity benefits for long-term investment. Council recognises this by requiring Investment returns to retire debt.	
Whose acts created a need?	The need is to reduce the long-term dependence on rates funding.	
Separate funding	Investments are allowed under the Local Government Act 2002 as an ancillary power of Council as part of its business. It is appropriate to identify this activity separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	Community facilities rate	5-100%
Capital funding sources	Loan funding	0-95%
	Community facilities rate	5-100%
Rationale for service delivery	To reduce the long-term dependence on rates as a funding source.	
Rationale for funding sources	Generally this service provides funding to other activities by reducing loans. However, investment returns can be patchy and at times money is required to be invested in one period with the expectation of returns in another period. When funding is required Council believes that, as everybody benefits, it should come from the Community facilities rate.	

Revenue and financing policy

Community development		
Who benefits?	Parts of the community that benefit The benefits of a Safer Wanganui and other community strategies are available and these benefit the whole community. This activity includes the Computer Clubhouse, Computers in Homes and For Our Kids, and engages with a range of other community agencies. Public/Private benefits 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.	
Community Outcomes / Council themes	Safe and healthy community To continue to work collaboratively to ensure a safer community.	
Period of benefit	As there is little capital expenditure there are no inter-generational equity considerations.	
Whose acts created a need?	The need is created as the resource allocation of a democracy creates inequities to parts of the community.	
Separate funding	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.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
	Other funding - Crown	0-25%
Capital funding sources	Loan funding	80-95%
	General rate	5-20%
	Other funding - Crown	0-100%
Rationale for service delivery	Community development addresses community inequities as it leads, builds and supports community partnerships, collaborative networks and strategic frameworks for the long-term development and sustenance of Wanganui's community wellbeing. It also forges strong links with Wanganui's cultural sector.	
Rationale for funding sources	As the private benefit to an individual is hard to measure and the individuals benefiting are likely to have little ability to pay for the service, no or small user fees are charged. Council believes the public benefit of these services should be borne more by those who have the ability to pay more than those who do not. As such, it is funded from the general rate based on land values.	
Economic development		
Who benefits?	Parts of the community that benefit The whole community benefits from prosperity and growth. Council believes that developing and attracting new business promotes economic growth in the district. Growth is likely to benefit farming and commercial properties more than residential properties. Public/Private benefits The benefits afforded by economic development through increased employment opportunities accrue primarily to the non-identifiable public and identifiable business community.	
Community Outcomes / Council themes	Economic prosperity To partner with business and industry to facilitate economic growth. To promote and market Wanganui to attract visitors and business and instil pride in our community.	
Period of benefit	The activity has little capital requirement and the inter-generational equity considerations are difficult to measure as businesses come and go due to market forces.	
Whose acts created a need?	The desire to maintain and improve living standards via economic development, high employment and higher incomes creates a need.	
Separate funding	The benefit received from this activity is hard to measure though the business and farming community are likely to benefit more than other parts of the community. For these reasons, it is important that Council funds this activity, distinct from other activities. Council has an appropriate structure in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%

Revenue and financing policy

	General rate	5-100%
Capital funding sources	Loan funding	0-95%
	General rate	5-100%
Rationale for service delivery	To influence the growth and development of the local economy and enhance the economic and social wellbeing of the community.	
Rationale for funding sources	As the private benefit to an individual is hard to measure and there is no efficient and effective method of charging, little to no user fees are charged except for some services at the Visitor Information Centre. There is a probable relationship between the property value and the benefits received from this activity, particularly for commercial properties. Council considers that those who are likely to benefit more, and can afford to, should pay more than those who can not and as such believes that the most appropriate method to recover the public benefit is via a general rate based on land value differentiated where commercial ratepayers pay 75%, residential pay 20% and farming pay 5%.	
Emergency management		
Who benefits?	Parts of the community that benefit This emergency management service is available to the whole community – it includes Civil Defence and Rural Fire. The rural community benefits most from the Rural Fire service. Private/Public benefits There is a high public and community benefit from ensuring the safety and wellbeing of all who live in the Wanganui District and in protecting their property. Private benefit is hard to determine prior to an event.	
Community Outcomes / Council themes	Community partnerships To prepare the community for, and support each other during, emergency events.	
Period of benefit	There is little capital expenditure or inter-generational equity impact on this activity.	
Whose acts created a need?	Other than the possibility of fires, there is minimal impact from groups or individuals that affect natural disasters.	
Separate funding	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.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
Capital funding sources	Loan funding	0-95%
	General rate	5-100%
Rationale for service delivery	To be able and ready to offer the appropriate response in an emergency.	
Rationale for funding sources	Most 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. There is a probable relationship between the property value and the benefits received from this activity particularly for commercial properties. Council considers that those who are likely to benefit more, and can afford to, should pay more than those who can not and as such believes that the most appropriate method to recover the public benefit is via a general rate based on land value for the Rural Fire portion. This is differentiated farming 80%, residential 10% and commercial 10%.	
Regulatory services		
Who benefits?	Parts of the community that benefit Regulatory services consist of undertaking regulatory functions to maintain and improve public health and safety. Regulatory services is made up of a number of sub-activities - Building control, Environmental health, Animal control, Liquor licensing, Resource management, Parking and Environmental policy. Council has considered the funding requirements of these activities separately and aggregated the results for this activity. The land use planning service is available to the whole community. Public/Private benefits	

Revenue and financing policy

	Animal Control, Environmental Health, Liquor Licensing benefit the community district-wide. With Building Control and Resource Management, the builders, developers and property owners who want to alter their premises receive the most benefit. Particular parts of the District Plan may benefit some parts of the community more than others. By providing guidelines and rules for the use of the land resource throughout the district, the District Plan provides benefits for all persons by ensuring that the developments which occur maintain environmental and community standards.	
Community Outcomes / Council themes	Safe and healthy community To improve people's health, safety and welfare through provision of regulatory activities and other services. Environmental sustainability To enhance the liveability of our built environment	
Period of benefit	There is little capital expenditure or inter-generational equity impact on this activity.	
Whose acts created a need?	Central government legislates many of these services. The community's desire to live in a safe and healthy neighbourhood.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
Capital funding sources	Loan funding	0-95%
	General rate	5-100%
Rationale for service delivery	To ensure that the environment is safe, healthy and trusted; and to minimise nuisance. To develop policies and rules to guide the effective use of land and to ensure the sustainable management of the natural and physical environment of the district. While some decisions in the District Plan may benefit some parts of the community more than others, it is not practical to identify all the different parts and recover costs on that basis. Those properties with larger land area and value are more likely to create need. As such, Council believes that the most appropriate method to recover the public benefit is via a general rate based on land value. Council considers that commercial properties benefit more from this service and has allocated a 100% loading to commercial properties. The desire to manage the effects of how we live and how that affects other people in the community. Changes to existing properties' usage and boundaries, particularly larger commercial changes, create a need	
Rationale for funding sources	Each of the regulatory sub-activities is individually funded. The private benefits are funded as follows: Building control Building consent fees Liquor licensing Liquor license fees Animal control Dog registration fees Resource management Subdivision fees Environmental health and Environmental policy is nearly fully funded from general rates. The balance is funded from general rates based on land value. Council considers that commercial properties benefit more from this service and has attributed a 100% loading to commercial properties.	
Pensioner housing		
Who benefits?	Parts of the community that benefit The service is available to those people who occupy the units. Private benefits The major private benefit is to those people who occupy the housing units. Public benefits In caring for those in the community who are having difficulty in looking after themselves.	
Community Outcomes / Council themes	Community partnerships To partner with other agencies and value older people in our community.	
Period of benefit	As Council has decided not to replace these assets when they reach the end of their useful life, there are no large capital expenditure or intergenerational equity	

Revenue and financing policy

	considerations. Consequently, asset management plans for these facilities contemplate only repairs and maintenance over the next 10 years.	
Whose acts created a need?	There are people in the community who have limited financial ability to look after themselves in their later years.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
Capital funding sources	Loan funding	5-100%
	Fees and charges	5-100%
Rationale for service delivery	To care for a part of the community which has difficulty in looking after itself.	
Rationale for funding sources	As the benefits are near 100% to the occupiers of the units, funding is from unit rental. There is no rate funding for operational expenditure for this activity.	
Governance		
Who benefits?	Parts of the community that benefit This service is available to the whole community as elected members both represent the views of the community and make decisions on its behalf. Public/Private benefits 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.	
Community Outcomes / Council themes	Community partnerships To effectively lead and govern the community in consultation with the community.	
Period of benefit	There is little capital expenditure or inter-generational equity impact on this activity.	
Whose acts created a need?	A fundamental principle of local government in New Zealand is the acceptance of the democratic electoral system for the selection of local authority members.	
Separate funding	This activity is distinct from other activities because it is the basis of local government. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
Capital funding sources	Loan funding	0-95%
	General rate	5-100%
Rationale for service delivery	The need to have representatives of the community and for those representatives to make decisions for and on behalf of the community. To provide the community with leadership.	
Rationale for funding sources	The benefit is believed to be uniform between ratepayers because Governance is a pure public good. As such, costs are allocated by units of use, though the rating is from the general rate which is based on land value.	
Waste minimisation		
Who benefits?	Parts of the community that benefit Activity is based on the support and promotion of waste reduction, reuse and recycling to maintain the health and sustainability of our community and natural environment. Everybody can potentially benefit, even those who do not support minimisation of waste. Private benefits Waste contracts in rural and peri-urban areas provide benefit. Rural bin drop-offs are seen as a private good as householders' own rubbish is collected and disposed of. In the urban area, people have to organise and pay for this privately. There is a private benefit for those properties that use the peri-urban waste collection services and rural	

Revenue and financing policy

	bin drop-off service.	
	Public benefits While waste minimisation will result in lower solid waste disposal costs for some individuals, it is only achieved after considerable personal effort and cost. Waste minimisation education and landfill consent closure are also seen as a public benefit. As such, Council sees the major benefit of the service as a public good.	
Community Outcomes / Council theme	Environmental sustainability To minimise the impact of waste on the environment.	
Period of benefit	There are some intergenerational benefits for future generations in the type of environment we plan to pass on. There are issues arising in relation to our ongoing responsibilities to monitor environmental effects from closed landfills and debt.	
Whose act creates a need?	Central Government has required Council to adopt a waste management and minimisation plan. All users of the solid waste management services have the ability to impact on the public health of the community and the environment. Those who use the recycling centre and peri-urban waste collection service create a need.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
Capital funding sources	Loan funding	0-95%
	Rate funding	5-100%
Rationale for service delivery	Council provides services where the market fails. Services, such as the recycling drop-off centre, kerbside collection from peri-urban areas and rural bin drop-off services, are necessary.	
Rationale for funding sources	There is market failure as private enterprise is unable to charge fees at a level to enable a profit. As such, Council believes that the service needs to be funded mainly from the general rate based on land value, differentiated 20% commercial, 30% farming and 50% residential and set fees at a level that the market will bear. Rural waste collection services will be funded from rubbish stickers and rates.	
Waterways and natural drainage		
Who benefits?	Parts of the community that benefit The Whanganui River, a number of streams and numerous open drains run through the city. The streams and drains are maintained to maximise flow and to reduce the effects of potential floods. The activity also maintains some stopbanks around the Whanganui River (others are maintained by Horizons Regional Council). Private/Public benefits While some properties within the urban area directly benefit from the distribution of stormwater away from impervious layers, the major benefit is to the environment which indirectly benefits all properties.	
Community Outcomes / Council theme	Environmental sustainability To protect and enhance our natural assets including the Whanganui River and coastline.	
Period of benefit	Other than if Council decided to build additional stopbanks, detention dams and enhanced integrated catchment management features, there is little capital expenditure or inter-generational equity impact on this activity. Environmental benefits can be passed on to future generations.	
Whose act creates a need?	The need to care for our environment and also to lessen flood risk.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity.	
Operating funding sources	Fees and charges	0-95%
	General rate	5-100%
Capital funding sources	Loan funding	0-95%

Revenue and financing policy

	Rates funding	5-100%
Rationale for service delivery	To ensure natural water systems are managed to meet environmental and amenity standards. To minimise flood damage.	
Rationale for funding sources	There is market failure as private enterprises do not provide the service. Council believes the public benefit of these services should be borne more by those who have the ability to pay than those who do not. As such, it is funded from the general rate based on land values for residential and commercial properties.	
Earthquake strengthening		
Who benefits?	Parts of the community that benefit The district's Council-owned buildings are available to the whole community and they are used for our community facilities and investments. Particular buildings in this category are our heritage buildings, such as, the Sarjeant Gallery, Royal Wanganui Opera House, Whanganui Regional Museum and War Memorial Hall – Conference and Convention Centre. Public/Private benefits Residents, businesses and visitors all benefit from having safe buildings. The commercial sector will gain economic benefit by having the facilities in their area.	
Community Outcomes / Council themes	Safe and healthy community To ensure people's health and safety and attempt to mitigate the risk of damage resulting from an earthquake.	
Period of benefit	There will be capital expenditure in the near future; however, Council considers that the funding of the works should be over 25 years to achieve some inter-generational equity.	
Whose acts created a need?	Central government legislation will dictate what actions will have to take place and when. Council has an Earthquake-prone buildings policy.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0%
	Earthquake strengthening rate	100%
Capital funding sources	Loan funding	0%
	Earthquake strengthening rate	0%
Rationale for service delivery	To ensure that our community facilities are safe, healthy and trusted; and to minimise the risk of damage from an earthquake.	
Rationale for funding sources	No particular person benefits directly from earthquake strengthened buildings. While the private benefit accrues to individuals who use the community facilities, there is no particular means of charging for individual use. As the service is available to all within the district and the level of benefit is not affected by property values, Council believes that the capital works required to earthquake strengthen buildings should be funded by a targeted rate.	
Debt retirement		
Who benefits?	Parts of the community that benefit The whole community benefits from debt retirement as Council will pay less in finance costs.	
Community Outcomes / Council themes	Economic prosperity To ensure Council will be sustainable in the long term.	
Period of benefit	There is a benefit into perpetuity as debt is retired on an annual basis.	
Whose acts created a need?	Council decided it was prudent to implement a debt retirement policy.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to allocate costs to this activity.	
Operating funding sources	Fees and charges	0%
Capital funding sources	Loan funding	0%

Revenue and financing policy

sources		
	Debt retirement rate	100%
Rationale for service delivery		
Rationale for funding sources	To ensure that Council manages its debt balance, whereby large past capital expenditure on infrastructure, on an intergenerational equitable basis.	
Footpaths and berms		
Who benefits?	<p>Parts of the community that benefit</p> <p>This service is available to the whole community. Council provides a network of footpaths in built up areas.</p> <p>Private benefits</p> <p>Private benefits are to the people who use the service.</p> <p>Public benefits</p> <p>In providing a safe way for people to move from place to place, by separating motorised and non-motorised methods of transportation.</p>	
Community Outcomes / Council themes	<p>Safe and healthy community</p> <p>To provide a safe transportation network that meets the needs of all users.</p>	
Period of benefit	There are inter-generational equity benefits as the footpaths have long useful lives and provide benefits for both current and future ratepayers.	
Whose acts created a need?	Pedestrians, joggers, mobility scooter users. There is a movement toward shared pathways.	
Separate funding	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.	
Operating funding sources	Fees and charges	0-95%
	Footpaths and roading rate	5-100%
Capital funding sources	Loan funding	0-95%
	Footpaths and roading rate	5-100%
Rationale for service delivery	The desire to provide a safe place for people to move from place to place.	
Rationale for funding sources	While there is a private benefit to users of footpaths, there is no practical way for that to be reflected in a charge. There is virtually no additional cost caused by marginal use or a practicable way to determine who uses the footpaths. There is also minor income from rental of road reserves. Additionally Council believes that those who can afford to pay more should pay more. For these reasons this service is funded as a public good via the Footpaths and roading rate. The rate is based on capital value of properties for residential and commercial as the people living in the property, rather than the land, create the need.	
Roading		
Who benefits?	<p>Parts of the community that benefit</p> <p>This district roading network is available to the whole community and is used for the movement of people and goods and for recreational purposes. It includes all public roads other than state highways, access ways within road reserves and private roads. In addition to the carriageway and bridges, the roading network includes all facilities associated with safety and preservation of roads. Certain roads provide access to individuals or small groups of people, rather than the community at large.</p> <p>Public/Private benefits</p> <p>Residents, businesses and visitors all benefit from having a roading network that is safe, convenient and comfortable for the passage of all classes of users. Even housebound people benefit from the availability of roads through the services that visit them. It would be difficult to identify any non-users of the roading network as most parts of a modern society rely to some degree on transport.</p>	
Community Outcomes / Council themes	<p>Economic prosperity</p> <p>To ensure infrastructure meets the needs of current users and future development. To facilitate the provision of enhanced communication networks and enable efficient</p>	

Revenue and financing policy

	movement of people and goods.	
Period of benefit	There are inter-generational equity benefits as roads have long useful lives and provide benefits for both current and future ratepayers.	
Whose acts created a need?	All road users, although heavy trucks and high volume users impact on the quality of our roading network. Extensions to the network usually come through developers vesting roads in the Council at the completion of sub-division works.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity. Council is required by legislation to have this as a separate activity.	
Operating funding sources	NZTA subsidies	62-70%
	Footpaths and roading rate	5-100%
Capital funding sources	Loan funding	0-95%
	NZTA subsidies	60-70%
	Footpaths and roading rate	5-100%
	Development contributions	1-5%
Rationale for service delivery	To provide for the movement of people and goods and for some recreational purposes.	
Rationale for funding sources	While the major benefit is to private users of roads, there is currently not an efficient mechanism for charging and collecting user fees based on road usage in the Wanganui District. Instead, the private benefit of roading is seen to be funded from petrol tax revenue and roading subsidies from the New Zealand Transport Agency. Council believes that properties with higher capital value benefit more from the network and have a greater ability to pay. As such, the balance of public good is funded from the Roothing and footpath rate which is based on capital value differentiated on residential ratepayers at 32%, farming 32% and commercial 36%. Comment: Farming and commercial activities create significantly more wear and tear on roads than residential traffic. In theory, funding could be split as follows: Residential 14.4%, farming 42.8%, commercial 42.8%.	
Wastewater		
Who benefits?	Parts of the community that benefit Service is available to all properties within Marybank, Mowhanau and Wanganui urban areas. The service involves the safe management and disposal of human sanitary and industrial trade waste. By 2013, the wastewater separation project will ensure that most waste is excluded from the Whanganui River. Private benefits There is a private benefit to the households and businesses that connect, or are able to choose to connect, to this service. Public benefits There are public health benefits in having this waste disposed of safely.	
Community Outcomes / Council themes	Environmental sustainability To minimise the impact of waste on the environment. To protect and enhance our natural assets including the river and coastline. To enhance the liveability of our built environment.	
Period of benefit	There are intergenerational equity benefits as the Wastewater activity has large capital expenditure and assets have long useful life and provide benefits for both current and future ratepayers.	
Whose acts created a need?	Human waste and waste created by industry by-product and the desire to dispose of this waste safely. Horizons Regional Council specifies environmental standards to be met by the Council for the discharge of treated effluent.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity. Council is required by legislation to have this as a separate activity.	
Operating funding sources	Trade Waste Fees and charges	30-40%
	Sewage disposal rate	5-100%

Revenue and financing policy

Capital sources	funding	Loan funding	0-95%
		Rates funding	5-100%
Rationale for service delivery	To provide for the safe management and disposal of human sanitary waste and liquid industrial trade waste.		
Rationale for funding sources	There is no practical way of charging residential users directly for the amount of wastewater they discharge unless drainage meters are installed. It is not cost-effective to install such meters except for large commercial trade waste users. Council believes that the exacerbator, being large commercial trade waste users, should be charged the full cost of their service and as such the trade waste targeted rate is set on volume of effluent discharged, the biochemical oxygen demand and the suspended solids. As reticulated wastewater disposal systems are characterised by large capital investment and reasonably low marginal costs of operation, it is therefore considered appropriate that those properties to which a service is available should pay a portion of the cost of the system's operation even if they are not connected. For these reasons, the city wastewater rate is charged per pan for non-residential properties and per property for residential properties connected to the city's wastewater scheme. Properties where the service is available but not connected pay a half charge.		
Stormwater			
Who benefits?	Parts of the community that benefit The service benefits properties within the built up areas in the Wanganui District. The stormwater network helps protect property from flooding and erosion caused by minor rain events. The activity also involves the Council taking a regulator role by ensuring that property development manages the amount of stormwater runoff, and that new buildings are not constructed in flood-prone areas or in overland flow paths. The stormwater systems are not designed to deal with river flooding or seawater inundation. Private benefits The private properties within the district that are protected by the stormwater system from flooding and erosion caused by minor rain events. Public benefit In relation to the run-off of water onto roads and to ensure access to properties during periods of high flooding, ensuring no cross-connections between stormwater and wastewater systems.		
Community Outcomes / Council themes	Safe and healthy community To improve people's health, safety and welfare through provision of regulatory activities and other services.		
Period of benefit	There are inter-generational equity benefits as the stormwater system has large capital expenditure and long useful life, and provides benefits for both current and future ratepayers.		
Whose acts created a need?	Man-made structures, particularly large roofs and other hard surfaces, cause large amounts of water to flow onto other properties and potentially flood. Demand continues to grow as more properties are developed in the district. New areas of development create the need to preserve stormwater and natural drainage areas.		
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. The city-wide project to separate wastewater and stormwater pipes has enabled the Council to separate this activity. Council has appropriate systems in place to separately allocate costs to this activity. Council is required by legislation to have this as a separate activity.		
Operating sources	funding	Fees and charges	0-95%
		Stormwater disposal rate	5-100%
Capital sources	funding	Loan funding	0-95%
		Stormwater disposal rate	5-100%
		Development contributions	0-5%
Rationale for service delivery	To provide protection to properties from flooding due to minor storms. To regulate the disposal of stormwater from new developments.		
Rationale for funding sources	Council considered that this service is primarily a private benefit to those properties connected or capable of being connected to the stormwater system and should be recovered through a targeted rate on those properties. While Council believes that the volume of stormwater increases with larger roofs and built up areas, under the rating legislation it cannot charge on this basis and as such has used the best allowable approximation, being the capital value of the property. There is also some minor cost		

Revenue and financing policy

	recovery through fees and charges.	
Water supply		
Who benefits?	Parts of the community that benefit All properties that are within one of Council's water schemes. Council has the Wanganui urban, Fordell, Maxwell and Westmere rural water supply schemes. All supplies meet the New Zealand Drinking Water Standards. There are some properties that provide their own water which do not benefit directly from the schemes though they may benefit from fire-fighting capacity. Private benefits Those properties connected to or capable of being connected to the water supply receive the major benefit. Public benefits There is also a high public benefit in relation to the promotion of public health. This benefit is enshrined in law where, for public health reasons, Council cannot stop supplying water to residential properties. Another aspect of public good is in the fire-fighting capacity.	
Community Outcomes / Council theme	Safe and healthy community To improve people's health, safety and welfare through provision of regulatory activities and other services.	
Period of benefit	There are intergenerational equity benefits as the water activity has large capital expenditure and assets have long useful life and provide benefits for both current and future ratepayers.	
Whose act creates a need?	The residential demand for water is determined by the number of people and the weather. Commercial demand is driven by the type of processing the entity does. The large wet industry consumers are the largest water consumers. The quality of water is in part governed by legislation and community demand.	
Separate funding	The nature of this activity and who benefits from it indicates that it should be accounted for separately. Council has appropriate systems in place to separately allocate costs to this activity. Council is required by legislation to have this as a separate activity.	
Operating funding sources	Fees and charges	0-95%
	Water supply and fire-fighting rate	5-100%
Capital funding sources	Loan funding	0-95%
	Rates funding	5-100%
Rationale for service delivery	Provide a continuous supply of healthy water to consumers served by the various water schemes. To ensure that the pressure enables industrial, domestic and fire-fighting needs.	
Rationale for funding sources	As Council does not believe it is cost-effective to install water meters for residential users, the residential private water use is recovered via a fixed rate per property connected to the water supply systems. As a reticulated water system is characterised by large capital expenditure and low operating costs, properties which are capable of connecting to the supply but which have not done so are charged a half charge per property. As it is cost-effective to install water meters for large commercial water users, they are charged the full cost of water used. It has been estimated that 20% of the urban water system capacity is to enable it to provide significant pressure in order to fight fires and, as higher value properties have more to benefit, Council has set the fire-fighting rate on a capital basis.	

Liability management policy

Purpose

The purpose of the Liability management policy is to outline approved policies and procedures in respect of all borrowing related activity to be undertaken by Council. The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

Council borrows for the following purposes:

- To fund capital works primarily for infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting inter-generational equity between current and future ratepayers.
- Short-term debt to manage timing differences between cash inflows and outflows, and to maintain liquidity.
- Specific debt associated with one-off projects.
- Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business.
- Fund emergencies in the short term.

Objectives

The objectives of the policy are consistent with best treasury management practice and will take into account the Annual Plan and 10-Year Plan. The key objectives in relation to borrowing are:

- Prudently manage borrowing activities to ensure the ongoing funding of the Council.
- Borrow only under approved facilities and as permitted by this policy.
- Minimise borrowing costs and risks within prudent risk management control limits.
- Minimise and manage exposure to adverse interest rate movements.
- Ensure operational controls and procedures to protect Council against financial loss, opportunity cost and other inefficiencies are maintained.
- Monitor, evaluate and report on treasury performance.

- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Borrow funds and transact financial risk management instruments within an environment of control and compliance under the Council-approved policy so as to protect Council's financial assets and costs.
- Comply with financial ratios and limits stated within this policy.
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- Ensure that all statutory requirements of a financial nature are adhered to.
- Develop and maintain relationships with financial institutions, brokers and investors.

Statutory objectives

All borrowing and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002. Council is governed by the following relevant legislation:

- Local Government Act 2002, in particular Part 6 including sections 101, 102, 104 and 105.
- Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
- Public Bodies Lease Act 1969 and Property Law Act 2007.

Other objectives:

- All projected borrowings are to be approved by Council as part of the Annual Plan process or resolution of Council before the borrowing is effected.

Liability management policy

- All legal documentation in respect to new borrowing facilities and financial instruments will be approved by Council's solicitors prior to the transaction being executed.
- Council will not enter into any borrowings denominated in a foreign currency.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding, in aggregate, an amount determined by resolution of Council.

This policy is prepared under sections 102 and 104 of the Local Government Act 2002. The sections require Council to state its policies regarding:

- Interest rate exposure
- Credit exposure
- Liquidity
- Debt repayment

Borrowing is included in the Annual Plan and the 10-Year Plan and is approved by Council resolution. Projected borrowing/debt levels are ascertained from forecasts in the Annual Plan or the 10-Year Plan.

Council is able to borrow through a variety of market mechanisms including the issue of local authority stock and debentures, direct bank borrowing, accessing the short- and long-term wholesale and retail capital markets directly or indirectly (e.g. LGFA). Council may also use internal funds as a borrowing mechanism.

New Zealand Local Government Funding Agency Limited

Despite anything in this policy, Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

In evaluating new borrowings (in relation to source, term, size and pricing) the Chief Executive or delegate will take into account the following:

- The size and the economic life of the project requiring funding
- 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, capital markets and bank borrowing and management's view of future interest rate movements
- Available term from banks, debt capital markets, loan stock issuance and 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

Liability management policy

Council's ability to readily attract cost-effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, banks and brokers.

Borrowing management and internal controls

Council's borrowing activities are managed centrally through the Finance function. The Finance function is broadly charged with the following responsibilities:

- Manage Council's borrowing programme to ensure funds are readily available at margins and costs favourable to Council
- Manage liquidity to ensure obligations are paid when due
- Raise authorised and appropriate borrowing, in terms of both maturity and interest rate
- Manage the impact of market risks such as interest rate risk on Council's borrowing by undertaking appropriate hedging activity in the financial markets
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters
- Provide timely and accurate reporting of treasury activity and performance

Council's systems of internal controls over borrowing activity include:

- Adequate segregation of duties among the core borrowing functions of deal execution, confirmation, settling and accounting/reporting
- There are a small number of people involved in borrowing activity; however, the risk from this will be further minimised by the following processes:
 - A documented discretionary approval process for borrowing activity
 - Regular management reporting and review
- Organisational, systems, procedural and reconciliation controls to ensure:
 - All borrowing activity is bona fide and properly authorised

- Reviews in place to ensure Council's accounts and records are updated promptly, accurately and completely

Council is prohibited from borrowing in a foreign currency by section 113 of the Local Government Act 2002.

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.

Leases

Council utilises finance leases (as opposed to an operational lease i.e. renting) as a means of financing some office equipment.

Contingent liabilities

Council may provide 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. Guarantees require prior approval by way of Council resolution.

Borrowing limits

Total Council borrowings will be managed within the following macro limits:

Liability management policy

Ratio	LIMIT
Net debt as a percentage of equity	<20%
Net debt as a percentage of income	<200%
Net interest as a percentage of income	<15%
Liquidity (external debt + cash or near cash financial investments + committed loan facilities, to existing external debt)	>110%

Income is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Income excludes development contributions and vested assets and excludes non-government capital contributions.

Net debt is defined as total debt less cash or near cash financial investments.

Disaster recovery requirements are to be met through the liquidity ratio.

Interest rate management

Council's ongoing borrowing requirement gives rise to direct exposure to interest rate movements.

Interest rate risk management refers to managing the impact that movements in market interest rates can have on Council's cash flows, Annual Plan and 10-Year Plan. This impact can be both favourable and unfavourable. The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of debt funding costs. Certainty around interest costs is to be achieved through the active management of underlying interest rate exposures.

Fixed/floating interest rate profile

Interest costs are incurred on any bank funding facility, issuance of local authority stock and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk.

Longer term fixed rate borrowings may be of benefit if market interest rates rise, but equally may not allow the Council to take advantage of periods of low interest rates.

A balance is achieved through having a mix of variable/floating interest rates and hedged/fixed interest rates.

The Council manages its interest rate exposures by defining minimum and maximum hedging percentages within various time buckets.

There is a tendency to have a higher percentage of fixed/hedged rate borrowing. Council believes this is a prudent approach given the long-term nature of Council's assets, projects and intergenerational factors. In addition, as the major revenue stream is rates, which are set on an annual basis, Council prefers to have reasonable certainty on the level of interest costs and therefore reduce the impact of interest rate increases adversely affecting rates.

The Chief Executive and Deputy Chief Executive approve the interest rate risk management strategy based on advice from the Finance Manager who monitors 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 fixed rate/hedged borrowing.

The following table provides guidelines for achieving a floating/fixed rate mix. The table reflects Council's preference for a reasonable level of certainty over interest costs. Notwithstanding the above, it may be appropriate from time to time, depending on Council's outlook on interest rates, to have a floating rate profile (any debt or interest rate risk management instrument where interest rates are being reset on a frequency less than one year).

Council's debt must be within the following fixed/floating interest rate risk control limit:

Liability management policy

Master fixed/floating risk control limits	
Minimum fixed rate	Maximum fixed rate
55%	90%

“Fixed rate” is defined as an interest rate re pricing date beyond 12 months forward on a continuous rolling basis.

“Floating rate” is defined as an interest rate re pricing within 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the Chief Executive and Deputy Chief Executive). Net debt is the amount of total debt net of cash or cash equivalents. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate hedging may have to be adjusted to ensure compliance with the policy minimums and maximums.

The fixed rate/hedged amount at any point in time should be within the following maturity bands:

Fixed rate maturity profile limit		
Period	Minimum %	Maximum%
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	15%	60%

Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.

Any interest rate swap with a maturity beyond 10 years must be approved by Council.

Interest rate risk management instruments

Interest rate risk can be managed by using interest rate risk management instruments that allow the re-profiling of the portfolios. Hedging use includes:

- Adjusting the average maturity of fixed rate borrowings, thereby managing interest rate risk within the confines of liquidity management
- Using interest rate risk management instruments to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing. Using interest rate risk management instruments to hedge market interest rate re-pricing risk on existing and new debt

The following interest rate risk management instruments are approved by Council:

- Interest rate swaps including forward start swaps, swap extensions and shortenings
- Forward rate agreements on bank bills and government bonds
- Interest rate options on approved underlying instruments e.g. on interest rate swaps (purchased swaptions and one-for-one collars), bank bills (purchased options, one-for-one collars) and government bonds

Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Approved use of interest rate risk management instruments:

- Buying and selling risk management instruments for the primary purpose of generating premium income is not permitted because of its speculative nature
- Interest rate options must not be sold outright. However, one-for-one collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased), otherwise both

Liability management policy

sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate “in-the-money”

- Purchased swaptions mature within 12 months
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate cannot be counted as part of the fixed rate cover percentage calculation
- Forward start period on swaps and collar strategies to be no more than 24 months

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as reasonably possible. Maturities should be well spread.

Credit exposure management

Council's ability to readily attract cost-effective borrowing is largely driven by its ability to:

- Maintain a strong balance sheet
- Service loans as interest and principal amounts become due
- Manage its image in the marketplace and its relationships with bankers, brokers, investors

Liquidity management

Liquidity management refers to the timely availability of funds to Council when needed, without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms of existing facilities/debt. A key factor of funding risk management is to spread and control the risk and reduce the concentration of risk at any one point in time so that if one-off internal or external negative credit events occur, the overall interest cost through adverse credit margins movements is not unnecessarily increased, or term availability and general flexibility reduced.

The following guidelines have been established to provide Council with appropriate levels of liquidity at all times,:

- Cash flow forecasts are produced to assist in the matching of operational and capital expenditure to revenue streams and borrowing requirements
- Council will maintain its financial investments in liquid instruments
- Council will ensure that where sinking funds or Council-created investment reserves are maintained in liquid financial investments to repay borrowing, these investments are held for maturities not exceeding the relevant borrowing repayment date
- To minimise the impact of unexpected cash surpluses, Council will take advantage of the efficiencies of any floating rate loan facility
- Term loans and committed debt facilities together with cash or near cash financial investments must be maintained at an amount of at least 110% over the existing external debt
- The Chief Executive or delegate has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be reported and ratified by Council at the earliest opportunity
- Council has the ability to pre-fund up to 12 months of forecast debt requirements including re-financings

To ensure funds are available on repayment of debt, financial investments are maintained in liquid assets and ready funds are available through various committed cash advance and note purchase facilities. Council also maintains at least two bank committed cash advance/credit facilities 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 are high. Council manages this specifically by adopting maximum maturity percentages.

The maturity profile of the total committed funding in respect to all physical loans and committed facilities is to be controlled by the following system:

Liability management policy

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	40%

A maturity schedule outside these limits will require specific Council approval.

Debt repayment

Funds are provided from operating surpluses, asset sales and general funds for repayment of most loans/or a reduction in borrowing requirements, unless the Council specifically directs that the funds be put to another use.

Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

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.

Repayment of debt (interest and principal) is governed by:

- Affordability of debt servicing costs
- Intergenerational equity principles (debt will be repaid over the life of the asset or 25 years, whichever is the lesser)
- Maintenance of prudent debt levels and borrowing limits
- Council repays borrowings from general funds, special funds or from the existing specific sinking fund allocated to that borrowing
- Where a loan is raised for a specific purpose and the funds are no longer required, the funds will be held in a special fund until the funds can be applied against a future borrowing

Security

Council offers a charge over rates and rates revenue, as security for general borrowing programmes and interest rate risk management activity.

From time to time, with prior Council approval and the Trustee, security may be offered by providing a charge over one or more of Council's assets. Council offers security under a Debenture Trust Deed.

The utilisation of internal funds for internal borrowing purposes will be on an unsecured basis.

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.

Delegation of authority and authority limits

Council has the following responsibilities, either directly itself or via the following stated delegated authorities:

Activity	Delegated authority	Limit
Approving and changing policy	The Council	Unlimited

Liability management policy

Approving borrowing programme and new debt	The Council	Unlimited (subject to legislative and other regulatory limitations)
Approval for charging physical assets as security over borrowing	The Council	Unlimited
Approval for providing security stock as security over borrowing	Chief Executive or Deputy Chief Executive (or delegate)	Unlimited
Appoint Debenture Trustee	The Council	Unlimited
Re-financing existing debt	Chief Executive or Deputy Chief Executive (or delegate)	Re-financing existing debt
Approving transactions outside policy	The Council	Unlimited
Adjust net debt interest rate risk profile	Chief Executive or Deputy Chief Executive (or delegate)	Per risk control limits
Managing funding maturities	Chief Executive or Deputy Chief Executive (or delegate)	Per risk control limits
Maximum daily transaction amount (borrowing, interest rate risk management) excludes roll-overs on floating rate debt and interest rate roll-overs on swaps	Chief Executive or Deputy Chief Executive (or delegate)	\$10 million \$10 million
Authorising lists of signatories including seal register signatories	Chief Executive or Deputy Chief Executive (or delegate)	Unlimited

Opening/closing bank accounts	Chief Executive or Deputy Chief Executive (or delegate)	Unlimited
Triennial review of policy	Chief Executive or Deputy Chief Executive (or delegate)	N/A
Ensuring compliance with policy	Chief Executive or Deputy Chief Executive (or delegate)	N/A

All management delegated limits are authorised by the Chief Executive. The following procedures must be complied with:

- All delegated authorities and signatories must be reviewed at least annually to ensure that they are still appropriate and current
- A comprehensive letter must be sent to all bank counterparties at least annually to confirm details of all relevant current delegated authorities empowered to bind Council

Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.

Performance measurement

The performance of the borrowing activity will be measured against pre-determined benchmarks:

- Adherence to policy and in particular the borrowing limits
- Unplanned overdraft costs – specifically that daily bank balances are within limits taking into account unforeseen external activity
- Comparison of actual monthly and year to date interest costs vs budget borrowing costs
- Comparison of actual monthly borrowings with budgeted borrowing amounts

Liability management policy

- Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and 10-Year Plan

Reporting to Council

The following reports are produced:

Report name	Frequency	Prepared by/reviewed by	Recipient
Daily cash flow position	Daily	Finance Technician/ Accountant	As required
Treasury report <ul style="list-style-type: none"> ▪ Policy limit compliance ▪ Borrowing limits ▪ Funding and interest position ▪ Funding facility ▪ New treasury transactions ▪ Cost of funds vs budget ▪ Cash flow forecast report ▪ Liquidity risk position ▪ Counterparty 	Each Strategy and Finance Committee round	Accountant/ Finance Manager	The Council

credit <ul style="list-style-type: none"> ▪ Treasury performance ▪ Borrowing and interest rate strategy commentary 			
Annual Report – statement of debt and revaluation of financial instruments	Annual	Financial Accountant/ Finance Manager	Stakeholders
Liability management policy review	3 yearly	Finance Manager	The Council

Accounting treatment of financial instruments

Council uses financial market instruments for the primary purpose of reducing its exposure to fluctuations in interest rates.

The accounting treatment for such financial instruments is to follow New Zealand Generally Accepted Accounting Practice.

Valuation of financial instruments

All financial instruments must be revalued (marked-to-market) at least annually. This includes those instruments that are used only for hedging purposes. Underlying rates to be used to value treasury instruments are as follows:

- Official daily settlement prices for established markets.
- Official daily market rates for short term instruments (e.g. FRA settlement rates calculated by Reuters from price maker quotations as displayed on the BKBM page).
- Relevant market mid-rates provided by Council's bankers at the end of the business day (5.00pm) for other over-the-counter financial instruments.

Liability management policy

- For markets that are illiquid, or where market prices are not readily available, rates calculated in accordance with procedures approved by the Finance Manager.

Policy review

This Liability management policy is to be formally reviewed on a triennial basis.

The Chief Executive has the responsibility to prepare a review report that is presented to the Council. The report will include:

- Recommendation as to changes, deletions and additions to the policy.
- Overview of the treasury management function in achieving the stated treasury objectives, including performance trends in actual interest cost against budget (multi-year comparisons).
- Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension.
- Analysis of bank and lender service provision, share of financial instrument transactions etc.
- Comments and recommendations from Council's external auditors on the treasury function, particularly internal controls, accounting treatment and reporting.
- An annual audit of the treasury spreadsheets and procedures should be undertaken.
- Total net debt servicing costs and debt should not exceed limits specified in the covenants of lenders to Council.

The Council receives the report, approves policy changes and/or rejects recommendations for policy changes.

Investment policy

Purpose

The purpose of this Investment policy (the policy) is to outline approved policy and procedures in respect of all Council investments. The formalisation of such policies and procedures will enable investment risk to be prudently managed.

Objectives

The key objectives of this policy are to:

- Manage investments in accordance with relevant legislation and use best practice from the market as appropriate
- Maximise investment income within prudent levels of risk. Council as a public entity is risk averse and as such will invest in safer assets with lower returns
- Invest in only those investments that are approved under this policy
- Ensure the appropriate liquidity levels are maintained as required and to optimise the use of cash not immediately required
- Manage the risk of interest rate movements
- Enable regular reviews of the performance (risk and return) of investments
- Maintain satisfactory internal controls and procedures to safeguard investments
- Ensure Council recognises when an acquisition or divestment of an investment may require public consultation
- Obtain a revenue return to reduce the reliance on and impact of rates
- Invest in activities that Council believes have a positive impact on the social, economic, cultural and environmental wellbeings of the community
- Meet the obligations imposed by legislation or trusts, bequests and endowments

Application

This policy applies to any investment made by Council with an expected commercial return. While an investment may have other strategic economic 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.

Local Government Act 2002 requirements

This policy is prepared according to sections 102 and 105 of the Local Government Act 2002. The Act requires Council to state the following:

- The mix of investments
- The acquisition of new investments
- An outline of the procedures by which investments are managed and reported on
- An outline of how risks associated with investments are assessed and managed

Mix of investments

Council holds the following mix of investments:

Surplus cash and working capital funds

- Short term on call deposits
- Long term deposits

Equity investments

- 100% ownership of the shares in Wanganui District Council Holdings Limited (WDCHL)
- WDCHL's 100% ownership of the shares in Wanganui Gas Limited (WGL)
- Shares in NZ Local Government Insurance Corporation Limited

Property investments

- City Endowment property portfolio – investment focussed
- Harbour Endowment property portfolio – investment focussed
- Community and operational portfolio (formerly known as the City Freehold property portfolio) – generally includes property held for operational or community purposes
- The contents of each of the property portfolios may change from time to time

Investment policy

Forestry investment

- Share of Wanganui District Councils' Forestry Joint Committee
- The introduction of the Emissions Trading Scheme (ETS) system may require the purchase or sale of carbon credits in the future

Loan advances

- For infrastructure works purposes
- For property freeholding of leasehold land
- For some community groups and activities
- For further capital investment (debt or equity) in subsidiary organisations
- For other investments that meet the Council's general objectives or desired outcomes

Acquisition/disposition of new investments and revenue

New investments may be acquired if an opportunity arises or if investment supports the Council's outcomes and is considered the best means of achieving the outcome.

Equities

Any equity acquisition or disposal must be approved by the Council. Council generally invests in equity investments to achieve other than just commercial outcomes. Revenue/dividends earned from equity investments other than WDCHL is minimal. All income is recognised in the Statement of financial performance and forms part of general funds.

Property

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.

Council controlled organisations (CCOs)

CCOs are consolidated into the Council's Annual Report according to generally accepted accounting practice. Any surplus generated by the CCO will generally be utilised by the CCO, except in the case that a dividend requirement is set out in the CCO's Statement of intent (SOI) or other such determination. Proceeds from the disposition of any CCO investment will form part of general or special funds. Additions to or disposal of any CCO investment requires Council approval. Council facilitates cost-effective external borrowings if required for CCOs by way of its standing in the marketplace and recognises that there is a financial benefit to CCOs from this. Council can pass funding to CCOs at cost or include a margin to reflect its support.

From time to time Council may provide direct financing to assist in cash flow management. Any funding in this form that is equal to or less than \$50,000 requires Chief Executive approval. Amounts over \$50,000 must be approved by the Council.

New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

Investment policy

General monitoring procedure

For equities, the Annual Reports of the entity held are received and reviewed by the Council.

For CCOs, service level agreements between the Council and the CCO and the SOIs record the responsibilities of each party. Most CCOs are managed and reported on by the Council and the Chief Executive of the Council is generally delegated to appoint managers while the Council is generally responsible for appointing governance boards for the CCOs.

The Annual Reports of CCOs are generally prepared by Council and are subject to audit.

Council controlled organisations

Wanganui District Council Holdings Limited (WDCHL)

Objectives

The objectives relating to the ownership of the company are 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's 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 WDCHL.

WDCHL has a 100% interest in Wanganui Gas Limited which is owned by the company.

Monitoring

WDCHL is required to submit a SOI to the Council annually. This document outlines what the company will be doing in the next three years to meet its objectives. Other monitoring tools are:

- A six-monthly report is required to report on progress against the objectives in the SOI
- An Annual Report is required to also report on objectives in the SOI
- An Annual General Meeting and also meetings with the Council to discuss issues and progress against objectives

Risks

Risks are assessed as part of the annual process of developing and adopting a SOI. 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 Board of Directors and will be discussed with Council from time to time.

Wanganui Gas Limited (WGL)

Objectives

The objectives relating to the ownership of WGL by WDCHL are to:

- Protect the provision of an infrastructure investment
- Maximise dividends
- Provide local employment by retaining its office in Wanganui
- Enhance the value and moderate growth in investment

Investment policy

Monitoring

WGL is required to submit a SOI to WDCHL annually. This document outlines what the company will be doing in the next three years to meet its objectives. Other monitoring tools are:

- A six-monthly report is required to report on progress against the objectives in the SOI
- An annual report is required to also report on objectives in the SOI
- An Annual General Meeting and also meetings with WDCHL to discuss issues and progress against objectives

Risks

Risks are assessed as part of the annual process of developing and adopting a SOI. 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 WDCHL when they meet.

Wanganui Airport Joint Venture (WAJV)

Council has 50% ownership of the joint venture with the other 50% owned by the Crown. Council retains ownership of the airport because it is essential for the economic development of the Wanganui District.

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.

Monitoring

WAJV is required to submit a SOI to the Council annually. This document outlines what the joint venture will be doing in the next three years to meet its objectives. Other monitoring tools are:

- A six-monthly report is required to report on progress against the objectives in the SOI
- An Annual Report is required to also report on objectives in the SOI

Risks

The primary objective for risk management of the airport is to maintain operational efficiency and safety. This is managed by regular Civil Aviation Authority audits.

Wanganui District Councils' Forestry Joint Committee (WDCFJC)

Objectives

The objective relating to the ownership of the WDCFJC is:

- To provide a financial return to assist to reduce the burden on rates.

Monitoring

WDCHL prepares an annual plan and SOI that is presented to the WDCFJC. The WDCFJC then reports to the individual councils involved in the venture. They are:

- Ruapehu District Council (3.93%)
- South Taranaki District Council (0.98%)
- Wanganui District Council (95.09%)

The SOI 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.

Risks

Risks are assessed as part of the annual process of developing and adopting a SOI. Business plans will be prepared and contain a section on

Investment policy

risks relating to major sectors of business and the expected risk profile over the next three years. Major risks will be monitored by WDCHL and will be discussed with the WDCFJC.

Property investment portfolios

The objectives for investment and the use of the proceeds from each portfolio differ. The contents of each portfolio may change from time to time to achieve the Council's objectives and outcomes.

City Endowment property portfolio

The objectives of ownership of the portfolio are:

- 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 on a commercial basis where prudent
- To act as a prudent investor

The full value of the City Endowment property portfolio/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 any 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.

Harbour Endowment property portfolio

The objectives of ownership of the portfolio are (within the limits of the Harbour Endowment income):

- To provide revenue for harbour maintenance operations
- To help fund infrastructure for harbour development
- To maintain the value of the portfolio

- To maintain investment in land and property
- To enhance opportunities for economic development on a commercial basis
- To act as a prudent investor

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.

Community and operational portfolio (formerly known as the City Freehold property portfolio)

The objectives of ownership of the portfolio are:

- To provide property to support community activities and the operations of Council
- To enhance opportunities for economic development
- To act as a prudent property owner

Monitoring

The Council includes property investments within its annual planning cycle. WDCHL 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

Investment policy

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.

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 Strategy and Finance Committee and WDCHL will monitor major risks.

Cash and working capital management

Financial investments are those made in cash deposits or term investments in the money market.

The objectives of Council maintaining financial investments are to:

- Invest surplus cash and working capital funds
- Invest amounts allocated to special funds and sinking funds if required
- Invest funds allocated for approved future expenditure to implement strategic initiatives or to support intergenerational allocations if required
- Invest excess proceeds from the sale of assets if required

Council maintains a cash flow projection (by day) for the financial year and surplus cash is managed on a daily basis.

Risks

This policy sets operating parameters for financial investment activity including approved counterparties, instruments and limits. The following principles form the key assumptions of the operating parameters contained in the investment framework:

- Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer (excluding LGFA), and by limiting

investments to local authorities and registered banks within prescribed limits

- Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market
- Any financial investments must be restricted to a term of no more than 91 days, ensuring future cash flow and capital expenditure projections are met
- Council may only make financial investments in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are provided below

Council's financial investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its investments.

Management implements an interest rate risk management strategy by reviewing rolling cashflow forecasts and adjusting the maturity of its investments as appropriate.

Financial investments - approved issuers, instruments and limits

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury-related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's, Fitch or Moody's) being A+ and above or short term rating of A-1 or above.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide will determine limits.

Investment policy

Counterparty/Issuer	Minimum long term/short term credit rating	Instruments	Limits (% of total investment portfolio)
NZ Government	N/A	Treasury bills	100%
Local Government Funding Agency (LGFA)	N/A	LGFA borrower notes/Commercial paper	100%
NZ Registered Bank	A+ / A-1	Money market call deposits Money market term deposits Registered certificates of deposits Bank bills	Up to 100% of total portfolio but no more than \$5M with one registered bank

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. bank deposits) – transaction amount x weighting 100%.
- Interest rate risk management (e.g. swaps, FRAs) – transaction notional x maturity (years) x 3%.
- Foreign exchange – transactional face value amount x the square root of the maturity (years) x 15%.

Loan advances

Loan advances may be made from time to time to assist the Council to achieve its investment objectives and Council outcomes. Council approval is required for all loan advances.

Council has made advances with respect to infrastructure works loans to its ratepayers.

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.

On occasion, Council may also approve loans to trusts or other community-based organisations where there is social or community benefit to be achieved from the lending. Often such lending might be made at significantly discounted or nil interest rates, again in recognition of the clear social and community benefit that is being provided.

Sinking funds

Under the Local Government Act 2002, the Council is not required to use specific borrowing mechanisms and therefore the 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 the Council.

Development contributions policy

1. Introduction

1.1 Context

Despite a fairly static population, Wanganui District has been experiencing steady growth in the number of dwellings, plus growth in the number of businesses. One of the challenges for Council is funding additional infrastructure to cope with the resulting increases in service demand. Funding these expenditures from general rates is likely to be unfair, as existing ratepayers are neither the primary cause, nor the primary beneficiaries, of the works. Council must therefore consider other ways to fund them. Development contributions are one such alternative.

1.2 Legislative requirements

This document sets out Council's policy on development contributions, as required by section 102 of the Local Government Act 2002 and its amendments (the LGA).

1.3 Relationship to financial contributions under the Resource Management Act (RMA)

Council no longer levies financial contributions under the provisions of its District Plan. However, developers may still be required to remedy, mitigate or avoid any adverse effects of their development (either as a condition of consent or in accordance with rules in the District Plan). Financial contributions may also be required for infrastructure that will solely benefit the proposed development and/or is needed to deal with its specific impacts.

1.4 Navigating this document

This document comprises the following sections:

- Section 2 provides a brief overview of the policy, including the purpose of development contributions, when contributions may be required, the types of development that may be charged and other general information regarding development contributions

- Section 3 addresses the adoption and implementation of this policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions
- Section 4 outlines the growth context and summarises the capital expenditures Council expects to incur (and has already incurred) to cater for growth
- Section 5 presents the schedule of development contributions charges and details any limitations on the use of those funds
- Section 6 provides a simple flowchart diagram that shows how to calculate the contributions payable on developments
- Section 7 demonstrates application of the policy to various development activities and outlines how credits are granted
- Section 8 presents Council's policy on remissions, refunds, reductions and postponement of development contributions
- Section 9 provides details on additional administrative matters, such as invoicing and payment, service connection fees and the handling of GST
- Section 10 outlines how demand has been measured, including the definition of household equivalent units
- Section 11 presents the methodology used to calculate charges and outlines the significant assumptions underlying this policy
- Section 12 is a glossary of terms used in this policy
- Section 13 presents catchment maps for each activity.

2. Policy overview

2.1 Purpose of development contributions

The purpose of development contributions is to recover the costs of growth-related capital expenditures from participants in the property development process, rather than from general rates or any other funding source.

2.2 Policy rationale

The LGA requires Council to explain – in terms of the matters outlined in section 101(3) - why it has determined to use development contributions to

Development contributions policy

meet the expected capital expenditure set out above. Council's rationale is summarised below.

2.2.1 Community Outcomes

Using development contributions to fund growth-related capital expenditures will help promote the following Community Outcomes, as set out in Council's 10-Year Plan 2012-2022:

- Economic prosperity
- A safe and healthy community
- Environmental sustainability

This policy supports Council's Family-friendly Strategy by taking a more lenient approach with respect to the assessment of secondary dwellings.

2.2.2 Distribution of benefits

By definition, capital works funded by development contributions are primarily for the benefit of future residents and businesses. The purpose of these projects is to increase capacity to accommodate new users, not to improve service levels for existing users. Therefore, using development contributions to finance such expenditure aligns funding with benefits received.

2.2.3 Period over which benefits occur

Due to their 'lumpy' nature, most capital works provide additional capacity for long periods of time. This means that, in order to achieve intergenerational equity, Council must fund them over a relatively long period of time. Development contributions facilitate this by spreading the cost of each project over a maximum cost recovery period of 25 years, thereby aligning the period of funding with the period of benefit.

2.2.4 Need to undertake activity

Growth pressures are a key driver of capital works funded by development contributions, so requiring them to be funded by the growth community ensures that costs are borne by those who cause them to be incurred. This is both efficient and equitable.

2.2.5 Separation from other activities

Growth-related capital works do not usually stand alone within Council's capital works programme; instead, they are usually included within much larger projects that simultaneously cater for a number of different needs. The use of development contributions to fund the growth components not only improves equity, but also transparency and accountability. It forces Council to allocate the costs of capital works between various project drivers and to recover those costs accordingly.

2.3 When development contributions may be required

According to the LGA, development contributions may be required if:

- the effect of the development is to require new or additional assets or assets of increased capacity and, as a consequence;
- Council incurs capital expenditure to provide appropriately for those assets.¹

Council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

2.4 Types of development that may be charged

Any development - whether residential or non-residential - may be required to pay a development contribution. Only the pipes or lines of a network utility operator are explicitly exempt under the LGA.

2.5 Types of activities that may be funded

According to the LGA, Council may charge development contributions to help fund:

- Network infrastructure – this includes roads and other transport, water, wastewater and stormwater networks
- Community infrastructure – this includes land purchases (or the development of assets on land) owned or controlled by Council to provide public amenities, such as libraries and community halls
- Reserves – this includes both land acquisition and development

¹ In this context, "effect" includes the cumulative effect that a development may have in combination with another development.

Development contributions policy

However, this policy will initially cover only network infrastructure as the Council is not currently planning any growth-related community infrastructure or reserves. Other activities may be introduced during subsequent updates and revisions.

Please also note that on-site works (within the boundaries of each development) remain the sole responsibility of developers and do not form part of this policy.

3. *Adoption, implementation and review*

3.1 **Timing**

This policy will be adopted in conjunction with Council's Long-Term Plan (10-Year Plan) for the period 2012-2022. Any application for resource consent, building consent or service connection received on or after 1 July 2012 will be subject to the conditions of this policy (and any amendments). Applications received prior to this date will be assessed under previous versions of the policy.

3.2 **Frequency and scope of reviews**

As required by the LGA, Council will review this policy at least once every three years, or more frequently if deemed necessary. Such reviews may be triggered by and will take into account:

- Any changes to the significant assumptions underlying the Development contributions policy
- Any changes in the capital works programme for growth
- Any significant changes in the costs of labour, construction or technology
- Any changes in the expected nature, scale, location or timing of development
- Any changes that require new or significant modelling of the networks
- Any changes to the District Plan
- Regular reviews of funding and financial policies

- Any other matters that Council considers relevant

Each review will include a detailed analysis of the factors listed above. Any potential changes will be carefully considered and subject to a Special Consultative Procedure under the LGA.

In addition to these regular reviews, Council will annually revise its charges in accordance with inflation.

4. *Planning for growth*

4.1 **Growth projections**

Accurate growth projections are a fundamental component of any Development contributions policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread.

For the purposes of this policy, growth projections have been produced separately for residential and non-residential developments. This allows any differences in the rates of growth to be accommodated. More details on the specific methods used to project demand are provided below.

4.1.1 **Residential projections**

Council has based the rate of new dwelling growth on historic growth, and estimates that there will be around 70 new dwellings per year. The urban/rural split is estimated to be roughly 60/40, resulting in around 42 new urban dwellings and 28 rural dwellings per annum. These assumptions will be constantly monitored and updated throughout the life of the policy.

4.1.2 **Non-residential projections**

Non-residential growth has been extrapolated from historic building consent data. These data show that non-residential floor space has grown by nearly 10,000m² per annum. This figure has been converted to annualised household equivalent units (HEUs) for each activity using the conversion factors shown in section 10.3.

Development contributions policy

4.2 Capital expenditures required to service growth

The following table identifies capital expenditures that Council expects to incur over the life of this 10-Year Plan and also shows the proportion of each that it expects to recoup from development contributions. The amount of development contributions expected to be collected during the 10 years of the plan is \$132,000 per year.

Table 1: Future growth-related costs to be recovered from this policy

Activity	Total cost	\$ from DCs	% from DCs
Roading	\$23,381,700	\$2,716,318	12%
Stormwater	\$1,100,000	\$110,000	10%
Water	\$6,012,000	\$616,650	10%
Total	\$30,493,700	\$3,442,968	11%

In addition, Council has previously incurred:

- \$4.11 million of water-related infrastructure costs, 10% of which will be recovered from development contributions
- \$10 million of wastewater-related infrastructure costs, 5% of which will be recovered from development contributions

5. Charges, usage and limitations

5.1 Schedule of charges

The following table summarises the schedule of charges to apply from 1 July 2012. These have been calculated using the methodology set out in section 11. Further, as noted in section 3.2, these will be revised annually in accordance with inflation. All figures are GST exclusive.

Table 2: Schedule of development contributions per household equivalent unit

Activity	Urban	Rural
Roading	\$1,441	\$249
Stormwater	\$87	
Wastewater	\$625	
Water**	\$819	
Total	\$2,972	\$249

** The water charge also applies to developments in Westmere, where specific growth-related works are planned or have recently been carried out.

5.2 Use of development contributions

Council will use development contributions only toward the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment. To clarify: contributions may not be redistributed across catchments or across activities, but they may be reallocated across projects within a catchment for a given activity. For example, contributions collected for roading projects in the urban area will only be spent on urban roading projects.

5.3 Limitations

Council will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

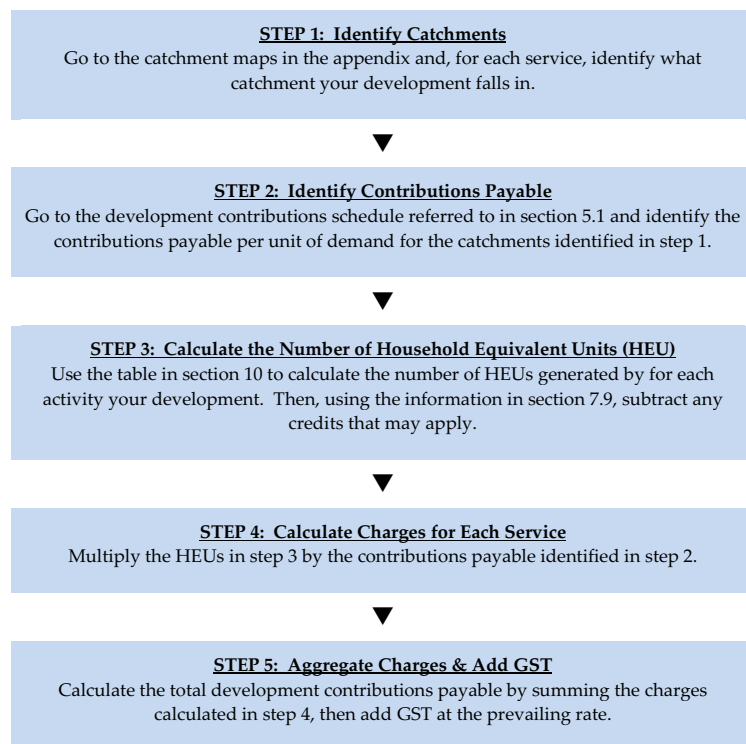
- Where, under S108(2)(a) of the Resource Management Act (RMA), it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
- Where it has received, or will receive, full funding from a third party.

Development contributions policy

In addition, development contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

6. *How to calculate contributions payable*

The following flowchart demonstrates how Council will calculate the contributions payable on a development.



7. *Assessment and application of policy*

7.1 **Timing of assessment**

Development contributions do not automatically apply to every development in the district. Rather, only developments that place extra demands on infrastructure - and which cause Council to incur capital costs as a result - may be liable.

Any liability for development contributions will be assessed either when granting:

- A resource consent under the RMA for a development;
- A building consent under the Building Act 2004; or
- An authorisation for a service connection.

7.2 **Assessment process**

Liability for development contributions will generally be assessed against the first consent application lodged for each development. When any subsequent consent is sought, a reassessment will be undertaken. If for any reason development contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

7.3 **Residential activities**

7.3.1 **Resource consent applications**

The creation of allotments via subdivision provides scope for new dwellings and therefore attracts development contributions at a rate of one HEU per additional allotment.

7.3.2 **Building consent applications**

Dwellings constructed on allotments with registered titles may attract development contributions under this policy. The extent of any contributions payable will depend on whether any payments were made at earlier stages in the development process, as well as the specific services that the development is connected to.

Development contributions policy

Note: Additions to residential dwellings do not attract development contributions unless they create additional independent dwelling units. This means that garages, car ports and garden sheds do not attract charges.

Minor dwelling units (“granny flats”) shall be assessed at 0.5 HEUs each. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such activity.

7.3.3 Service connection applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.3.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate shared water meters will not attract contributions.

7.4 Non-residential activities

7.4.1 Subdivision

Subdivisions will attract development contributions on each additional allotment created. If the intended built form is known at the time of subdivision, contributions will be based on each lot’s planned gross floor area (GFA) and the intended land use.² However, if the intended built form and land use is unknown at the time of subdivision, each additional allotment will be charged a development contribution for one HEU. The balance will then be assessed at the time a building consent, land use consent or service connection application is lodged (i.e. when more information is known about the intended use and built form). Any additional demand over that originally assessed will require additional development contributions to be paid. However, no refunds will be made against the initial development contributions levied on each lot.

² Stormwater charges will be based on the impervious surface area of each non-residential development, not their gross floor areas.

7.4.2 Land use and building consent applications

Non-residential developments will attract development contributions based on their GFAs and intended land use. If an existing structure is demolished or removed as part of the development, the GFA of that structure will be used as a credit toward the contribution for any activity to which the original structure was connected.

7.4.3 Service connection applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.4.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate shared water meters will not attract contributions.

7.5 Special assessments

Council’s policy on development contributions is based on the average infrastructure demands of a wide range of residential and non-residential developments. However, there may be instances where a development does not readily fit within the specified development categories, or where the infrastructure demands created by the development differ significantly from the averages upon which the policy is based. In these circumstances, Council may undertake a special assessment at its sole discretion.

A decision on whether a special assessment will be undertaken will be made by Council at the application stage, once details of the development are known. Applicants will be required to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater associated with the development. This information will be used to calculate the number of HEUs for each activity for which the development will be liable.

7.6 Private development agreements

Development contributions policy

In certain circumstances, where Council believes it is in the best interests of the community, private development agreements may be entered into with a developer. Private development agreements may be used in lieu of development contributions (at Council's sole discretion) where a developer and Council agree that particular infrastructure and/or services can be provided in a manner different to Council's standard procedures/guidelines, and where Council's minimum level of service will be achieved.

Such agreements must clearly state:

- The rationale for the agreement
- The details of the agreement
- The basis of any cost sharing
- How and when the associated infrastructure will be provided
- Which lot(s) the agreement refers to

One example where a private development agreement may be used is when a development requires a special level of service or is of a type or scale that is not readily assessed in terms of standard units of demand. Another is where significant developments and/or plan changes are proposed and capital expenditures are required but none have been budgeted and no development contributions have been set.

7.7 Application in other circumstances

7.7.1 Cross boundary developments

Some developments may span several catchments and/or straddle the district boundary with another territorial authority. In this event, the following rules will apply:

- Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs in each catchment will then be used to calculate contributions payable.
- Where a development straddles the district boundary with another territorial authority, development contributions will only be payable

to Wanganui District Council on the HEUs (or parts thereof) that reside within the Wanganui District. Please note: Development contributions may also be payable to other territorial authorities.

7.7.2 Consent variations

Applications to vary a resource or building consent, or the conditions of such consents, will trigger a reassessment. Any increase in the number of HEUs (relative to the original assessment) will be calculated and the contributions adjusted to reflect this. However, no refund will be made for any decrease in the number of HEUs relative to the original assessment.

7.7.3 Boundary adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, development contributions will not be required.

7.8 Credits

7.8.1 Overview

As shown in section 6, the calculation of contributions payable requires Council to assess whether any credits shall apply (see step 3 in section 6). There are two types of credit. The first relates to development contributions that have been paid in the past. For instance, a development may have paid contributions at the subdivision stage, and these must be taken into account if any reassessment occurs at subsequent stages.

In general, credits will be given toward the activities for which payment was made on a HEU by HEU basis. This means that if a development has already paid for two water HEUs, a credit for two water HEUs will be given at any reassessment. Provided written evidence of payment can be provided, no historical time limit will apply in the calculation of such credits and all previous credits will be taken into account. This also applies to historic payments for financial contributions to the extent that such contributions related to the same infrastructure for which a development contribution is sought.

Development contributions policy

The second type of credit relates to the existing use or uses of a site. It recognises that development contributions only apply to increases in infrastructure demands caused by developments. For instance, if a dwelling is demolished and replaced with a new dwelling, development contributions would not usually apply because there is no corresponding increase in infrastructure demand.

In other words, credit will also be given for the pre-existing status of properties as at the commencement of this policy (1 July 2012), even if no previous financial contribution or development contributions have been paid. Credits will be associated with the existing title and calculated and assigned to individual activities. More details on the nature of these credits are outlined below.

Where there is no connection to a reticulated system at the time development contributions are paid, a credit will be applied for those activities for which no connection exists. If a subsequent connection is made, development contributions will be reassessed at the service connection stage in accordance with the provisions of this policy. Also, if a property was not connected to a service as at 1 July 2012, it is not assessed as having any credit for that service.

7.8.2 General principles of credit

- Residential credits will apply at the rate of one HEU per connected service per existing allotment or independent dwelling unit.
- Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Table 4 in section 10.
- On subdivision of undeveloped land, historic credits of one HEU per service connected per existing allotment will be allocated.
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- For existing residential buildings that are demolished or destroyed, no development contributions will be payable provided that the

same number of independent dwelling units are rebuilt. Any additional units will be assessed for payment of development contributions according to the terms of this policy.

- Credits must be allocated to the same allotment or allotments. This prevents the transfer of credits from one allotment to another.
- Credit will not be granted for infrastructure provided in excess of that required as a condition of any consent(s) issued by Council.
- Credits cannot be used to reduce the total number of HEUs to a negative number, so credits cannot be used to force payments by Council to the developer.

8. *Remissions, reductions and refunds*

8.1 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked as a resolution of Council and are not able to be requested by applicants.

8.2 Reductions

An applicant may wish to apply for a reduction in the development contributions payable on their development. Reductions are adjustments to the number of HEUs assessed for a particular development. These will only be considered as part of a review initiated by an applicant (for a consent or service connection). The need to undertake such a review must be motivated by the applicant, with the agreed outcome recorded in a private development agreement.

Applications for reductions must be made in writing to Council within 15 working days of having received a development contributions assessment notice. Requests must be short and concise, but fully outline the reasons why a reduction is being sought and provide sufficiently reliable data to enable a revised estimate of demand and associated development contribution charge to be made.

In undertaking the review Council:

Development contributions policy

- Must consider the request as soon as reasonably practicable
- May determine whether to hold a hearing for the purposes of the review, and if so give at least five working days' notice to the applicant of the commencement date, time and place of that hearing;
- May, at its discretion, uphold, reduce or cancel the original amount of development contributions required on the development and will communicate its decision in writing to the applicant within 15 working days of any determination or hearing
- May delegate this role to Council officers or other suitably qualified persons as required from time-to-time

In reaching a decision, Council will take account of the following matters:

- The Development contributions policy
- The funding model
- Council's 10-Year Plan
- Council's funding and financial policies
- The extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by Council in its capital works programme
- The level of existing development on the site
- Contributions paid and/or works undertaken and/or land set aside
- Any other matters Council considers relevant

8.3 Refunds

There may be occasions where Council must refund development contributions collected under this policy. The specific circumstances in which this may occur – as well as the way in which refunds must be handled - are set out in sections 209 and 210 of the LGA 2002. In essence, refunds may occur if:

- Development or building does not proceed; or
- A consent lapses or is surrendered; or
- Council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

Any refunds will be issued to the consent holder of the development for which they apply.

The refund amount will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund will exclude any costs already incurred by the Council and will not be subject to any interest or inflationary adjustment.

8.4 Postponement

Council will not consider postponements of contributions payable under the policy.

9. Other administrative matters

9.1 Assessment and invoicing

The LGA allows Council to assess applications (for consents and service connections) at various stages of the development process to determine the extent of any development contributions payable. Council's policy is to undertake such assessments as early as possible. These assessments remain valid for 12 months, after which a reassessment must take place before an invoice can be generated. These reassessments take account of any changes to the policy since the last assessment.

An applicant can also request an invoice be generated at any time. If not requested by the applicant, an invoice will be issued at the earliest of:

- An application for a certificate under section 224(c) of the RMA; or
- An application for a Code Compliance Certificate under section 92 of the Building Act 2004; or
- A request for service connection.

9.2 Timing of payments

The due date for payment will be:

Development contributions policy

- For subdivision resource consents: prior to issue of the section 224c certificate
- For other resource consents: 180 days from granting or prior to the commencement of consent, whichever is earlier
- For building consents: 180 days from granting or prior to Code Compliance Certificate, whichever is earlier
- For service connections: prior to connection

9.3 Non-payment and enforcement powers

Until a development contribution required in relation to a development has been paid, Council may:

- In the case of a development contribution assessed on subdivision, withhold a certificate under section 224(c) of the RMA
- In the case of a development contribution assessed on building consent, withhold a Code Compliance Certificate under section 95 of the Building Act 2004
- In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development
- In the case of a development contribution assessed on a land use consent application, prevent the commencement of resource consent under the RMA
- In the case where a development has been undertaken without a building consent, not process an application for Certificate of Acceptance for building work already done

Council may 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, as provided for in section 208 of the LGA 2002.

9.4 Contributions taken as money in first instance

The LGA specifies that contributions may be taken either as money, land or both. Council will usually take contributions as money, but may also

accept land from time to time at its sole discretion as per the policy in place at time of assessment.

9.5 Service connection fees

Where physical connections to the network are required, Council will collect service connection fees for the following services:

- Potable water
- Wastewater
- Stormwater

9.6 GST

The entire process for calculating development contributions is GST exclusive. Once all calculations are complete, GST will be added to the final invoice as required by the prevailing legislation and/or regulations of the day.

Please also note that assessments are not tax invoices for the purpose of GST.

10. Measuring demand

10.1 Units of demand

Units of demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. Council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from non-residential developments using HEU multipliers (also known as conversion factors). These show the number of HEUs that shall apply per 100m² of gross floor area (GFA) for different types of non-residential development. For stormwater, the calculations are based on impervious surface area (ISA), not GFA.

The following subsections outline the demand characteristics of each HEU and the conversion factors (multipliers) used to convert non-residential demand to HEUs.

Development contributions policy

10.2 Base units

The following table summarises the demand characteristics of each household equivalent unit, which represents an average household living in a single dwelling.

Table 3: Base units (demand per HEU)

Activity	Base unit	Demand per HEU
Roading	Vehicle trips per day	10
Water supply	M ³ /day/lot	0.95
Wastewater	M ³ /day/lot	0.665
Stormwater	Impervious surface area (ISA)	334m ²

10.3 Conversion factors

The following table outlines the conversion factors used to translate non-residential developments to HEUs. The multipliers for roading, water and wastewater are applied to the gross floor area (GFA) of developments, while the stormwater multipliers are applied to impervious surface area (ISA).

Table 4: HEUs per 100m² of gross floor area (ISA for stormwater)

Activity	Commercial	Industrial	Retail
Roading	0.40	0.40	1.40
Water	0.26	0.26	0.26
Wastewater	0.26	0.26	0.26
Stormwater	0.26	0.26	0.26

For example, suppose Council receives a consent application for a 1,000m² industrial building. Assuming no credits apply, the development will be liable for development contributions on the following number of HEUs:

- Rading = 1,000m² * 0.40/100 m² = 4 HEUs
- Water supply = 1,000m² * 0.26/100 m² = 2.6 HEUs
- Wastewater = 1,000m² * 0.26/100 m² = 2.6 HEUs
- Stormwater = 1,000m² * 0.26/100 m² = 2.6 HEUs

For commercial accommodation, a specific formula is used to determine the number of HEUs that shall apply to developments. The formula reflects the fact that commercial accommodation caters for a maximum number of people, not household units. Accordingly, the number of HEUs is calculated by dividing the maximum number of guests by the district average household size. The result is then scaled by the previous year's annual average occupancy rate for the same accommodation type, as determined by Statistics New Zealand's Accommodation Survey. This will be updated annually.

To be more specific, the formula for calculating the number of HEUs is as follows:

$$\text{HEUs} = \frac{\text{Maximum Guests} \times \text{Average Occupancy Rate}}{\text{District Average Household Size}}$$

For example, suppose Council receives an application for a new hotel catering for a maximum of 200 guests. Assuming that the district average household size is 2.1, and the average occupancy is 60%, the number of HEUs will be:

$$\text{HEUs} = 200 \times 0.6 / 2.1 = 57 \text{ HEUs}$$

Development contributions policy

11. Methodology and significant assumptions

11.1 Methodology overview

The method used to calculate development contributions charges comprises the following steps:



A detailed discussion of this methodology is provided in the Development contributions methodology report (available at Council's offices). A brief summary of this report follows.

11.2 Methodology steps

11.2.1 Define catchments

Service catchments are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose Council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and which will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the district, regardless of whether they caused (or benefited from) the investment.

Given the intentions of the LGA - to allocate costs on the basis of causation and benefits received - it follows that catchments should be used wherever possible.

11.2.2 Define levels of service

Service levels define the quality of service and are typically embedded in Council's Asset Management Plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

11.2.3 Identify growth-related capital works

Next, the specific capital works need to be identified for which development contributions are sought. These comprise both future capital

Development contributions policy

works – as listed in the 10-Year Plan – and historic works undertaken in anticipation of growth.

11.2.4 Allocate project costs

Many of the capital works projects underlying this policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called “economies of scope”. Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single-purpose projects. Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this policy were based on a two-staged approach. In stage one, the method checks whether a project bears any relation to growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations such as:

- Section 101(3) of the LGA 2002. This sets out the issues to which Council must have regard when determining its funding sources. These include the distribution of benefits (in terms of the time period over which the benefits arise and the area that receives the benefits), the extent of any cost causation and the impacts on community outcomes and policy transparency. It also requires Council to assess the likely impacts on the four wellbeings, both current and future.
- Asset management plans, which provide detail about the nature of capital works.
- Network modelling, which helps understand the usage of infrastructure networks.
- Cost allocation principles, such as stand-alone costs and incremental costs.
- The presence of any third party funding.

More detail on Council's cost allocation methodology can be found in Council's Development contributions methodology report (available at Council's offices).

11.2.5 Define appropriate units of demand

After identifying the specific capital works for which contributions will be required, the next step is to identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

Council considers the household equivalent unit (HEU) the most appropriate unit of demand. It captures the demands of an average household and the estimated demands of non-residential developments are expressed relative to that. For instance, if a development is deemed to generate demand equal to two households, it will be assigned units of demand equal to two HEUs.

11.2.6 Identify the design capacity for growth

The design life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In general, project costs should be spread over the asset's design life. This makes sense because only developments occurring within the design life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and a shorter funding period may be used. In this Development contributions policy, costs are spread over the shorter of asset design life or 25 years.

11.2.7 Allocate costs to each unit of demand

This is a fairly straightforward exercise and is carried out within the development contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing costs)

Development contributions policy

to the various developments that fall within the same catchment and within the asset's design life.

11.2.8 Calculate fees by activity and catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of development contributions reproduced in section 5.1.

11.3 The funding model

A funding model has been developed to calculate charges under this policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity and the infrastructure projects related to growth. It also houses growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- All capital expenditure estimates are inflation-adjusted and GST exclusive.
- The backlog, renewal and maintenance portions of each project will not be funded by development contributions.
- Methods of service delivery will remain largely unchanged.
- Interest will be earned by Council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at the weighted average interest cost of borrowings.
- Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- The development contributions charges listed in section 5.1 will be adjusted each year at the rate of inflation. This has been modeled as an average increase of 2.5% per annum.
- Increases in general rates and user charges - due to increases in the number of ratepayers - will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

11.4 Other significant assumptions

A number of other important assumptions underlie this policy. The most significant of these are outlined below.

11.4.1 Planning timeframe

This policy is based on the 10-year timeframe of the 10-Year Plan 2012-2022, and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases economies of scale require Council to build assets of greater capacity that extend beyond the timeframe of the 10-Year Plan. Council accepts that, in such cases, it may have to bankroll costs and recover them over time from future developments. Any costs incurred in anticipation of future growth (i.e. beyond the 10-Year Plan) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 25 years.

11.4.2 External funding

This policy assumes that the eligibility criteria used, and the funding provided, by third parties (such as New Zealand Transport Agency) remain unchanged over the life of the plan.

11.4.3 Best available knowledge

The growth projections and capital works programme underlying this policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated to the policy at review times.

11.4.4 Changes to capital works programme

Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.

11.4.5 Avoidance of double dipping

Development contributions will not be sought for projects already funded by other sources, such as external subsidies or financial contributions.

Development contributions policy

11.5 Identification of risks

The main risks associated with this policy are uncertainty over (i) the rate and timing of growth and (ii) the exact nature of growth-related capital works and their associated cost and timing. In both cases, the most effective risk mitigation strategy is to constantly monitor and update the policy as better information becomes available.

12. Glossary of terms

Activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation. e.g. water supply, transport networks.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991.

Allotment area is the total land area of an allotment.

Applicant is the person/persons who apply for resource consent, building consent or service connection.

Asset Management Plan means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Catchment means the area served by a particular infrastructure investment.

Capital expenditure means the cost of capital works for network infrastructure, reserves and community infrastructure.

Commercial means any activity involving commercial transactions, or providing commercial or administrative services, and includes non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade. For the purposes of

development contributions, any consents deemed to be a commercial land use type will be assessed for development contributions.

Community facilities means reserves, network infrastructure or community infrastructure that development contributions may be required for in accordance with section 199 of the Local Government Act 2002.

Community infrastructure means:

- (a) land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and
- (b) includes land that the territorial authority will acquire for that purpose.

Community Outcomes in relation to a district or region (as defined in the LGA 2002):

- (a) means the outcomes for that district or region that are identified as priorities for the time being; and
- (b) includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental or cultural wellbeing of the community.

Development means

- (a) any subdivision or other development that generates a demand for reserves, network infrastructure or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

Development contribution means a contribution -

- (a) provided for in a Development contribution policy included in the 10-Year Plan of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) comprising-
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or

Development contributions policy

(iii) both.

Development contributions policy means the policy on development contributions included in the 10-Year Plan of the territorial authority under section 102(4)(d) of the Local Government Act 2002.

District means the Wanganui District.

District Plan means the District Plan of Wanganui District Council.

Dwelling means any building, whether permanent or temporary, that is occupied, in whole or in part, as a residence; and includes any structure or outdoor living area that is accessory to, and used wholly or principally for the purposes of, the residence; but does not include the land upon which the residence is sited.

Financial contribution has the same meaning as financial contributions in section 108(9)(a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST) means goods and services tax under the Goods and Services Tax Act 1985.

Gross Floor Area (GFA) means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- Carparking
- Loading docks
- Vehicle access and manoeuvring areas/ramps
- Plant and equipment enclosures on the roof
- Service station canopies
- Pedestrian circulation space in an enclosed retail shopping centre
- Any foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place

Household equivalent unit (HEU) means an average residential dwelling occupied by a household of average size.

Industrial means:

- a) Any premises used for any industrial or trade purposes; or
- b) Any premises used for the storage, transfer, treatment or disposal of waste materials or for other waste management purposes, or used for composting organic materials; or
- c) Any other premises from which containment is discharged in connection with any other industrial or trade process;
- d) Any activity where people use materials and physical effort to:
 - Extract or convert natural resources
 - Produce goods or energy from natural or converted resources
 - Repair goods
 - Store goods (ensuing from an industrial process)

For the purposes of development contributions, any consents deemed to be an industrial land use type will be assessed for development contributions.

Impervious surface area For the purpose of development contributions, impervious surface area (ISA) means the area of any site that is not capable of absorbing water and includes any area that is:

- Covered by buildings
- Covered by decks
- Occupied by swimming pools
- Used for parking, manoeuvring or loading of motor vehicles
- Paved with a continuous surface with a run-off coefficient of greater than 0.45.

LGA means the Local Government Act 2002 (and its amendments).

Local authority means a regional council or territorial authority.

Methodology has the same meaning as methodology in s197 of the Local Government Act 2002.

Development contributions policy

Minor residential unit (“granny flats”) means a secondary residential unit on a site which can be used either as a rental property or to house a dependent relative and is subservient to the larger residential unit on the site. The minor residential unit may be separate or be a part of a main residential unit.

Network infrastructure means the provision of roads and other transport, water, wastewater and stormwater collection and management.

Network utility operator has the meaning given to it by section 166 of the RMA.

Non-residential development means industrial or commercial activities, as defined above, or any development where the predominant activity is neither residential nor rural.

Residential development means any activity in a residentially zoned area or where the predominant activity is residential.

RMA means the Resource Management Act 1991.

Service connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Service connection fee means a charge for physically connecting to a service provided by, or on behalf of, a territorial authority.

Subdivision has the same meaning as Section 218 of the Resource Management Act 1991.

Third party funds means funding or subsidy, either in full or in part, from a third party. e.g. New Zealand Transport Agency subsidies for the roading network.

Unit of demand means the measure of demand for community facilities.

13. Catchment maps

Catchment maps are available from the Council's office.

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 (Principles of Consultation). 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 (Principles of Consultation) 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 (Principles of Consultation) 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 (Principles of Consultation) 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 –

Policy on determining significance

- a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- 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 100% shareholding in Wanganui District Council Holdings Limited which in turn holds 100% of the shares Wanganui Gas Limited.</p> <p>The entire forestry asset but not individual 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 services	Sewerage network as a whole but not any specific part of the network
Stormwater services	Stormwater network as a whole but not any specific part of the network
Water supply	Water supply system as a whole but not any specific part of the network
Water reticulation system	Water 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.

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 3 April 2012.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements on pages 62 to 70 are appropriate, has approved the 10-Year Plan for distribution.

No actual financial results have been incorporated within the prospective financial statements. Actual financial results achieved for the period covered are likely to vary from the information presented. These variations may be material. The final prospective financial statements will be adopted by the Council on 28 June 2012.

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

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers propose that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-2022 has been prepared are based on the current New Zealand equivalents to International Financial reporting Standards.

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.

Statement of accounting policies

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.

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.

Vested assets

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

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

WDC has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, WDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WDC will obtain ownership at the end of

Statement of accounting policies

the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

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 surplus or deficit, held-to-maturity investments, loans and receivables and fair value through other comprehensive income. 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 surplus or deficit

Financial assets at fair value through surplus or deficit 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 surplus or deficit 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 surplus or deficit.

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 surplus or deficit.

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 surplus or deficit as a grant.

Statement of accounting policies

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 (Government Indexed 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 surplus or deficit.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition 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 or if the debt instrument is not expected to be realised within 12 months of 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 Craigs Investment Partners 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 recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

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 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 surplus or deficit.

Loans and receivables, and held to maturity investments

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

Statement of accounting policies

account, and the amount of the loss is recognised in the surplus or deficit. 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 other comprehensive income, 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 other comprehensive income, 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 surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus and deficit. Impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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 surplus or deficit.

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 surplus or deficit in the period of the write-down.

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 surplus or deficit. 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.

Statement of accounting policies

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 net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset

revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and recognised in other comprehensive income.

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.

Work in progress is recognised at cost less impairment and is not depreciated.

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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

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

Statement of accounting policies

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%
Urban water – collection	9 to 100 years	1% - 11.1%
Urban water – distribution	13 to 100 years	1% - 7.69%
Rural supply schemes	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 surplus or deficit.

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

Statement of accounting policies

Asset type	Useful life	Amortisation rate
Computer software	3 - 10 years	10% - 33%

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 surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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 surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

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 surplus or deficit.

The costs to maintain forestry assets are included in the surplus or deficit when incurred.

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 surplus or deficit.

Statement of accounting policies

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.

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 due to be settled beyond 12 months after the end of the period in which the employee renders service, 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.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

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 other comprehensive income

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. See statement of reserve funds on page 101.

Statement of accounting policies

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.

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 statement of financial position.

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 operating expenditure net of NZTA subsidies.

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.

Properties for potential divestment

These properties have been approved for divestment by Council as they are deemed surplus to Council's requirements.

Address	Legal description
City Endowment property portfolio	
69 Bamber Street	CT 25B/253 Lot 1 DP 55937
Cnr Fergusson/Parsons Street	PT RESERVE L TOW
8 Gilmour Street	CT Lot 1 DP 81089
235 London Street	PT RESERVE L TOW
Community and operational portfolio (formerly the City Freehold property portfolio)	
57 Heads Road	Lot 6 DP 81353 & CT 14B/1082, Section 554 Town of Wanganui; CT 47C/373
24 Cross Street	PT LOT 2 DP 323552
88 Duncan Street	CT 20A/170 Lot 2 DP 49266
35 Fox Road	LOT 1 DP 23839 LOT 5 DP 24363
113 Great North Road	Lot 1 DP 7737
1 Indus Street	CT G311/06 Section 701A Town of Wanganui
73 Karaka Street	CT 780/34 25D/682pt
13-15 Karoro Road	CTs 317/259, 508/217 Lots 18, 20, 22 Block VI DP 2776
9 Karoro Road (3 lots excluding open drain)	CT14D/387, 14D/386, 14D/384 Lots 2, 4 and 5 DP 42629
7 Kauangaroa Road	SEC 526 & 527 LBWR
0 Kauarapaoa Road (Plimmer Bush Reserve)	LOT 6 DP 55150 BLK XIII TAUAKIRA S.D.
12 Lenihan Street	Lot 1 DP 59241
105 Manuka Street	Lot 3 DP 424315
1 Montgomery Road	SEC 337 RBWR; SEC 1 & 2 SO 35194; SEC 1 SO 422441

78, 78A and 86 Mosston Road	PT LOT 1 DP 7675 LOT 64 DP 26733; LOT 58 DP 28030 NZG 50/1380, LOT 59 DP 28030, PT LOT 1 DP 51843; LOT 1 DP 17534
58 Nile Street	SEC 541 LBWR
Oakland Ave - Tenison Oaks Reserve	LOTS 8 9 10 13 DP 73893
180A Paterson Street (Hylton Park)	PT LOT 2DP 744 PT LOT 1 DP 16409
66 Seafront Road	CT 248/73 248/74 Lots 149 150 DP 2173
68 Seafront Road and Taupata Street extension	CT C3/491 Lot 151 & 152 DP 2173 & lot 465 DP 3060
70 Seafront Road	CT 624/62 Lot 153 & 154 DP 2173
72 Seafront Road	CT 230/177 Lot 155 & 156 DP 2173
152 Somme Parade	Lot 2 DP 54662
171 Somme Parade	Lot 2 DP 15837
25 Tawa Street	CT 52D/407 Lots 14 & 15 DP 2045
275 Tokomaru East Road	LOT 1 DP 16941 BLK IX WAIPAKURA S D
10 Windsor Terrace	Lot 4 DP 432587
16 Windsor Terrace	Lot 1 DP 432587

Properties for potential divestment

Properties confirmed for sale subject to individual approval by Council prior to being put on the market.	
Address	Legal description
City Endowment property portfolio	
52 Carlton Avenue	PART LOT 14 DSP 304 LOTS 15,16, 20 & 21 DSP 304 PART RES L TOW
City Freehold property portfolio	
128 Great North Road (134A) 1250	SEC 434 S O 35102 R B W R BLK VI WESTMERE S D
25 Karamu Street	LOT 44 DP 44125 LOT 7 DP 77876
3 Kotuku Street	CT 21A/476 Lot 3 DP 49146
15 Nichol Place	Vested Lot 15 DP 50738
17 Norfolk Drive	LOT 45 DP 62220 LOTS 2 3 DP 75249
25 Parkdale Drive	LOT 49 DP 48039
39 Somme Parade (Part of Cornmarket Reserve, 8 Pitt Street)	LOT 1 3 4 5 6 DP 1120
70 Swiss Avenue & 31 Duigan Street (Lorenzdale Park)	CT 722/47 Lot 65 DP 15378 LOTS 11 & 20-24 BLK II DP 2338

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 – Conference and Convention Centre	(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

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.		Stormwater; Flood protection and control; Wastewater; Roads, footpaths and pathways; Investments; and Corporate – based on their relationship and the rationale for providing them.
		Infrastructure	Includes roads, water pipes, drainage pipes, footpaths, pump stations, bridges etc.
Capital expenditure (Capital acquisitions)	Funding necessary for new works that add to the Council's existing assets.	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.
Community Outcomes / Family-friendly Strategy	Our vision for the future of our community to be enacted through our Family-friendly Strategy.	Operational expenditure	All funding for providing services on a day-to-day basis, excluding renewal and capital expenditure.
Community Outcomes Plan	The plan that documents the Community Outcomes process that has been undertaken	Performance measures	How the Council will assess progress toward achieving outcomes and service levels.
Exclusions	These items have not been included in the budget for 2012/13 and there is no allowance for them in the 10-year programme for 2012-2022.	Projection	Prospective financial information prepared on the basis of one or more hypothetical but realistic assumptions that reflect possible courses of action.
Forecast	Prospective financial information prepared on the basis of assumptions as to future events that the Council reasonably expects to occur.	Renewal expenditure (Capital replacements)	Funding for works that replace the existing assets over their projected lifetime.
Groups of activities	The Council's activities are allocated to 12 groups – Parks and recreation; Community and cultural; Economic development; Community facilities and services; Transportation; Water supply;		

Detailed index (both volumes)

	Volume	Page
Introduction	1	
Message from the Mayor	1	4
Message from the Chief Executive	1	6
Auditor's Report	1	7
Statement of proposal	1	10
Wanganui today – statistical information	1	34
Wanganui's future – Family-friendly Wanganui	1	37
General information	1	
Council controlled organisations	1	47
Governance structure	1	49
Management structure	1	50
Contribution to decision-making by Maori	1	51
Fees and charges	1	52
Prospective financial information	1	
Assumptions	1	61
Capital expenditure – acquisitions	1	71
Capital expenditure – replacements	1	76
Funding impact statement	1	89
Prospective statement of comprehensive income	1	97
Prospective statement of financial position	1	98
Prospective statement of cash flows	1	99
Prospective statement of changes in equity	1	100
Prospective statement of reserve funds	1	101
Policies	1	
Revenue and financing policy	1	103
Liability management policy	1	135
Investment policy	1	145
Development contributions policy	1	152
Policy on determining significance	1	169
Statement of accounting policies	1	173

Detailed index (both volumes)

	Volume	Page
Properties for potential divestment	1	183
Contact us	1	185
Glossary	1	187
Detailed index	1	188
Activities	2	3
Water supply	2	5
Water supply	2	6
Stormwater	2	15
Stormwater	2	16
Flood protection and control	2	23
Waterways and natural drainage	2	24
Wastewater	2	30
Wastewater	2	32
Roading, footpaths and pathways	2	41
Roading	2	44
Footpaths and berms	2	52
Parks and recreation	2	58
Parks and reserves	2	61
Swimming pools	2	72
Community and cultural	2	78
Community development	2	82
Libraries	2	89
Sarjeant Gallery	2	97
Royal Wanganui Opera House	2	104
War Memorial Hall – Conference and Convention Centre	2	108
Whanganui Regional Museum	2	114

Detailed index (both volumes)

	Volume	Page
Economic development	2	115
Economic development	2	117
CBD maintenance	2	126
Community facilities and services	2	132
Cemeteries	2	136
Waste minimisation	2	140
Pensioner housing	2	146
Community buildings	2	151
Emergency management	2	156
Regulatory services (Animal control, Building control, Environmental health, Parking services, Resource management, Environmental policy)	2	161
Transportation	2	171
Airport	2	174
Sea port	2	180
Durie Hill elevator	2	184
Investments	2	188
Investments (Wanganui District Council Holdings Limited, Wanganui District Councils' Forestry Joint Committee, Harbour Endowment property portfolio, City Endowment property portfolio, Quarry)	2	190
Corporate	2	198
Governance	2	201
Corporate management	2	207
Community and operational property (Formerly City Freehold property portfolio)	2	216