

# Your rates for the 2014/15 financial year



Wanganui District Council

August 2014

## *Nga mihi nui, greetings to our ratepayers and citizens*

Getting our budget right has been a real balancing act for your Council as we took into account your interest in the future of some of our existing facilities as well as what we can afford to do this year and in coming years.

We developed an Annual Plan for 2014/15 which included financial projections for 2015/16 and 2016/17. We did this because, given the significant financial challenges we face, a longer-term view is needed if we are to become financially sustainable. We cannot afford to focus only on the year ahead. This is a time for serious consideration of 'trade-offs' – what services are considered essential to the community, and how that affects the rates we all pay, and what services could we reduce or do without. The need for this trade-off approach has been intensified by the costs of repairing earthquake-prone buildings and the construction of a replacement wastewater treatment plant.

This year we have set an average rate increase of 4.9% but it's also important that we look at what is ahead of us. Additional year-to-year operating costs of around \$4M by 2016/17 will have the greatest impact on rates. These costs include the additional cost of running the new wastewater treatment plant, interest and the repayment of loans. However, we have managed to reduce our 'business as usual' costs.

Although we have taken a close look at budgets in preparation of the 2014/15 Annual Plan, a full review of all of our services and activities is under way because I want to make sure that what we are doing is still the most effective and efficient way to deliver the range of services our community expects and needs.

Changes to the Local Government Act will require more work in the coming year as we are required to focus even more on the future, including planning around our infrastructure requirements for the next 30 years.

Partnerships are playing an ever-increasing role in the business of Council. We look forward to further development of relationships

with Whanganui Iwi following settlement of the Whanganui River Claim. The settlement will guide how we will work together as a community in relation to Te Awa Tupua and how we look after the Whanganui River.

We are putting into place Whanganui & Partners to work collaboratively with the business, education and visitor sectors to review and implement an economic development strategy which clearly identifies the ways we can grow our economy and therefore our community. These partnerships for progress will be key to the longer-term successful future of our district.

We will also continue to build on our existing partnerships, using the Safer Whanganui framework to build community well-being.

Other key issues for the Council and our community are covered below. More information is available in our Annual Plan 2014/15 which is available on our website [www.wanganui.govt.nz](http://www.wanganui.govt.nz) or from our Customer Service Desk and public libraries.

On behalf of the Council, thank you to everyone who took the time to talk with us during our Annual Plan process. We received 511 submissions, with 67 submitters speaking directly to councillors in support of their submission. The community interest and involvement in this year's Annual Plan process, and the resulting changes we made, clearly demonstrate the value of the consultation process and that your Council will listen to your ideas and concerns and act on them where possible.

Annette Main  
Mayor



## Key decisions

After considering submissions to the draft Annual Plan, we made the following changes to the plan:

**Wanganui East Pool** will be opening again for the 2014/15 summer, with a budget of \$63,500 for operating costs. We will be inviting community groups, who submitted strongly for this to occur, to work alongside us to find a long-term answer to the future of an outdoor pool as a key community facility.

**Virginia Lake Aviary** budget of \$24,000 budget was reinstated for 2014/15.

**Wakefield Street Bridge's** long-term future will be considered next year when we decide on the 10-Year Plan 2015-2025. We will work with the Wakefield Bridge Action Group and others during this process. In the meantime, a number of measures are being put in place to help extend the life of the bridge.

**Whanganui Resource Recovery Centre Trust** funding retained at

\$150,000 for 2014/15 (an additional \$50,000 to what was proposed in the draft Annual Plan).

**Glass School** additional funding of \$22,500 to allow the current Bachelor of Fine Arts students majoring in Glass to complete their degree.

**Christmas decorations and Christmas parade** allocated \$10,000.

**Sport and Recreation Strategy** for the region allocated \$10,000.

**CBD pavement resealing** budget increased by \$7000 to allow for two blocks to be resealed by the end of this year.

**Council Chamber air conditioning** allocation of \$70,000 removed from the Annual Plan.

**Cost savings** of \$227,000 factored in due to the wastewater treatment plant being built later than planned, saving on interest and electricity costs.

# Key issues, projects and highlights for 2014/15

## Wastewater treatment plant

Following the failure of our wastewater treatment plant, we are building an upgraded plant using parts of the existing infrastructure. Construction is due to start in September 2014 and additional capital expenditure of \$16M is included in the plan for this year.

We are also working on a new Trade Waste Bylaw and determining how we will charge industries that discharge trade waste into our system. We are pursuing legal action against the designers of the original wastewater treatment plant in an effort to recoup some costs. Until this is resolved we cannot take the result of a successful claim into account in our financial projections.

## Earthquake strengthening

We have allocated \$5.9M over the three years of the plan for earthquake-strengthening some of the Council's earthquake-prone buildings. This includes work on the Alexander Library, War Memorial Centre, Royal Wanganui Opera House, Whanganui Regional Museum and the third floor of the Council's Municipal Building. This programme of work and budget could be affected by changes in Government legislation and new strengthening methods.

## Sarjeant Gallery Te Whare o Rehua Whanganui

Redevelopment of the Sarjeant Gallery is one of our most significant projects and will deliver economic benefit to Wanganui with minimal cost to ratepayers. It will provide seismic strengthening of the original Sarjeant building in Queens Park, as well as storage for the collection and additional facilities in a new wing. More details, including a cost/benefit evaluation of the project, can be found at [www.sarjeant.org.nz/redevelopment](http://www.sarjeant.org.nz/redevelopment).

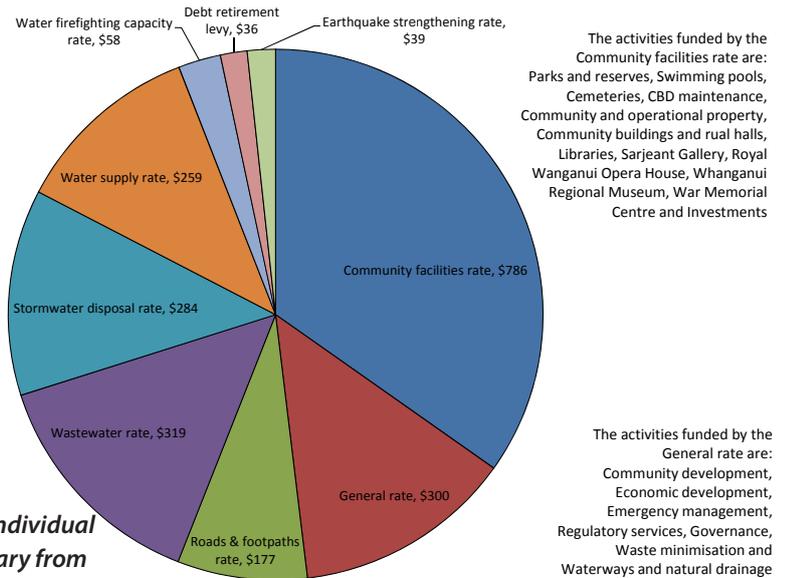
The aim is to complete the project by September 2019 at a cost of \$28M. This is being principally sourced through external funding, including via central government, Lotteries, corporate and individual philanthropy and trusts. Fundraising initiatives are under way. If we cannot raise the funds, the redevelopment project will not go ahead.

## Financial Assistance Rate review

New Zealand Transport Agency (NZTA) is conducting a review of its Financial Assistance Rate (FAR). When a land transport activity undertaken by us qualifies for funding from the National Land Transport Fund, the FAR determines the proportion of the approved costs that we will receive funding for. The baseline FAR remains at 62% for 2014/15 but is being reconsidered for the 2015/16 period onwards. The future funding of our roading

# How your rates are spent

How the average Wanganui residential rate of \$2,257 is spent



**Note: Rates for individual properties will vary from the average.**

activity is a major concern and we have made strong submissions on the options, all of which will have a significant financial impact on us. For example, a 1% downward movement in the FAR would result in an additional \$120,000 required from other sources or a lower level of service. We will be lobbying our local members of Parliament and the Minister of Transport about the implications of any reduction in this assistance. A reduced FAR would not only negatively impact on our ratepayers but also on emergency access, farming and our economy.

## Wharf Street boat ramp repairs

We have confirmed \$50,000 in 2014/15 for consultation, engineering design work and costing for a substantially upgraded facility. We have proposed \$267,000 in 2015/16 if the project proceeds. As part of the design process we will also consult on a user pays system.

## Museum roof replacement

We will replace the roof of the Whanganui Regional Museum in 2014/15 at a cost of \$135,000.

## Whanganui River erosion control

We are working with Horizons Regional Council on essential repairs to the South Spit and South Mole while developing a longer-term maintenance plan for these sites. We are sharing these costs with the Regional Council and have allocated \$1.5M across the next three years.

## Rates by email

You can opt to receive your rates notice via email, rather than having it posted to you. If you choose to change to an emailed rates notice, you will go into the draw for a \$500 contribution toward your rates. All ratepayers in the Wanganui District whose rates are up-to-date are eligible to enter the draw. Register on our website [www.wanganui.govt.nz](http://www.wanganui.govt.nz) to get your rates emailed and we'll put you into the draw.

## Rates rebate scheme

Information about the rates rebate scheme is enclosed with your rate account. Please contact our rates department, phone 349 0001, or call in to the Council building at 101 Guyton Street if you need further information or assistance.