



Masterton District Council

Draft Long-Term Plan 2012 – 2022 Summary



*Let Us Know
What You Think*

What is this Summary Document About?

This summary document outlines the contents of our Draft Long-Term Plan for 2012-22.

We have been planning to meet the needs of our community now and in the future.

We have looked at the issues we think will have an effect on the District over this time period and how we as a Council can best address them.

We have looked at all of our activities, why we do them, what needs to be done to maintain or improve our services, and how we will measure our performance.

The first three years are described in more detail, while the following years are an indication of what we will do.

This Plan will be reviewed every three years.

We now want to hear from you about our proposals. When we have heard what you think of the draft Plan and considered your recommendations, we will make any changes before we adopt the Plan.

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Message from the Mayor

I am looking forward to your feedback on our Plan for the next ten years.

We had several things in mind when we prepared the Plan:

- ◆ We want people to be proud of Masterton as a great place to live, work and bring up families
- ◆ We want Masterton to be a place with a strong positive image that attracts investment, business development and employees
- ◆ We want to have a Plan that is affordable
- ◆ We want to look after our assets
- ◆ It has to be a Plan for now and for the future.

We have prepared this Plan in a period of global economic uncertainty and, while our farmers are currently enjoying good markets for their produce, the future remains uncertain.

We also expect there will be changes in the way councils are organised within the ten-year period. We have taken that into account and have prepared a Plan that looks after our assets and services regardless of future structures for local government service delivery.

A major achievement for the Council will be completion of the urban wastewater treatment project, that will see treated effluent irrigated to land and released into the river only at times of high

flow. The rates impact of this project on the urban community has been responsible for significant rates increases. The project will be completed by 2014, after which our rates increase flattens out.

We have been conscious of the impact of rates increase on our communities. Rising electricity, insurance and roading costs are major contributors to the increases. The revaluation of properties in September 2011 has meant that some people will see very little change in their rates while others, particularly commercial properties, will see larger increases.

We have identified a number of issues we want your feedback on. I encourage you to consider the options we have identified and to give us your feedback through a submission to the Plan.

Garry Daniell
Mayor



Some Facts About the District

Masterton District's land area is 229,500 hectares, running from the Tararua Ranges to the Pacific Coast and from the Mt Bruce summit to the Waingawa River.

We have 12,011 properties and the land values forecast as at 30 June 2012 are \$2,389 million, while the capital value of land plus improvements totals \$4,363 million.

At the 2006 census, the Masterton District had a population of 22,623 with 17,664 living in the urban area and just under 5,000 living in rural areas. There has not been a census since, but Statistics NZ has estimated the current population to be 23,540, with 18,250 in the urban area and 5,290 in rural areas.

The Thinking Behind the Plan

The 2012-22 Plan is based on a number of assumptions. If you have a different view about the issues and challenges we have identified, please let us know by making a submission.

Sustainability

We need to have a sustainable Plan that is affordable over time and we have to be able to balance the budget. Let us know if you think we have developed a sustainable Plan.

We will take a sustainable approach to the economy, community and the environment including carbon emissions, energy management and water use.

We expect minimal short-term effects of climate change within the ten-year period, but we will model the impact of predicted warmer temperatures and more frequent storm events for our longer-term planning.

We anticipate an ongoing increase in operating costs, particularly electricity and insurance.

We are aware of an increased focus on preparedness for natural disasters, especially earthquakes, and there will be a strong focus on bringing our infrastructure and Council and community buildings up to a higher standard of earthquake resistance.

We want to make sure our infrastructure continues to perform and we have included extra investment to maintain our standards.

Legislation

This Plan is prepared to comply with the Local Government Act 2002. When we were near the final stages of preparing this Plan, the government announced proposed changes to the Local Government Act that will, in the first instance, refocus the purpose of local government, introduce fiscal responsibility requirements, strengthen council governance provisions and streamline council reorganisation procedures. It will also look at efficiency in local government. These proposed changes will go through the usual legislation procedures over the next few years.

Other legislation, such as the Building Act and the way building compliance is managed, could also change the ways the Council does business.

We are currently participating in investigations into future governance structures and/or shared services across the Wairarapa and potentially the Wellington Region. Our Plan identifies the work that needs to be done to maintain our current levels of service.

What can we Afford?

In the 2006 census our average income was lower than the national average. The number of people in our households has reduced, possibly as a result of the ageing population.

The Council has been conscious of the ability of the community to pay and of the impact of the urban wastewater treatment upgrade on the rates charged.

We are assuming ongoing availability of competitive loan funding, due to our membership of the new Local Government Funding Authority.

Growth Predictions

We don't expect the population to grow very much, but we expect that the proportion of people over 65 will increase.

The Masterton District economy is based on a range of activities with close relationships to the agriculture industry and we expect our economy to continue to grow, but possibly at a lower rate than the rest of New Zealand.

Growth in the number of new properties has averaged 1% over the past 10 years. As there is global economic uncertainty and a recent period of low growth in the district, we are assuming continued growth of around 0.5% in each of the next 10 years.



What we want to achieve - Community Outcomes

Masterton – a good place for families and a great place to live

Masterton District Council wants Masterton to be a good place for families and a great place to live. To achieve this, the Council is looking for the following outcomes for the community:

1. A Strong, Resilient Economy

We want Masterton to be a desirable place to do business and for its people to benefit from a strong diverse economy.

2. A Sustainable, Healthy Environment

We will look after our green spaces and waterways, reduce our waste to landfill and reduce our energy consumption.

3. An Active, Involved and Caring Community

We want all residents to participate fully in our strong, vibrant community; to be able to access social services and support as needed; to pursue their own personal sporting, recreational and cultural goals; and to support others to achieve theirs.

4. A Knowledgeable Community

We want people in the Masterton District to have access to the knowledge they need, underpinned by quality educational opportunities.

5. An Easy Place to Move Around

We want our transport links to be efficient, reliable, convenient and safe.

Key projects for 2012-2022

Looking After the Infrastructure

Over the next ten years, there are some key projects we'd like to do. Here's some information on each of them, to give you an idea of what they are and why we'd like to do them:

Sewerage Infrastructure and Sewage Treatment and Disposal

Complete the urban waste water upgrade: This is the largest project ever undertaken by this Council, and should be finished by the end of 2014. To ensure the rest of our waste water network is adequate, we plan to spend \$5 million in 2012-15 and then \$1 million each year to replace pipes. This work will mostly be funded from depreciation reserves, but also by loan funding in Years 1-3.

It could be put off until later, which would reduce the impact on urban rates, but there are risks in pipes failing if we delay the work.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Urban wastewater treatment upgrade	\$4.6 million	Loan funded	2012-14
Aerator replacements and review of discharge options	\$560,000	Depreciation & loan	2012-22
Sewer reticulation renewals	\$13.8 million	Depreciation & loan	2012-22

Water Services

Replace components of our water system: We propose to upgrade and renew components to maintain and improve the performance of our water system. This includes upgrading water filters, renewing water mains and replacing connections, and replacing the mains that bring water from the treatment plant into the urban Masterton area. This is the single biggest expenditure item in the draft Long-Term Plan 2012-2022.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Urban filter refurbishment	\$1.2 million	Loan funded	2012-14
Water mains and connections renewals	\$12.3 million	Depreciation & loan	2012-22
Trunk main replacement	\$6.9 million	Depreciation & loan	2015-17
Treatment Plant, equipment and infrastructure renewals	\$1.5 million	Depreciation	2012-22

Stormwater

Renew stormwater pipes: We're planning to renew and upgrade the town's stormwater pipes. Part of this will include investigating options for retaining stormwater from Opaki and Upper Plain Rd to control how much stormwater flows into the urban area. This study is scheduled for 2013 and will identify options and estimated costs so they can be factored in to our planning for the future.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Renewal and upgrades of pipes, sumps, manholes	\$1.4 million	Depreciation	2012-22



Roading

Roading Maintenance: Maintaining roads is one of our biggest costs. We will continue our usual level of roading improvements, but the subsidy from the New Zealand Transport Agency (NZTA) will reduce so the Council needs to meet an extra cost of \$82,000 each year.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Rural roading subsidised renewals	\$28.4 million	Rates & subsidy	2012-22
Urban roading subsidised renewals	\$10.8 million	Rates & subsidy	2012-22
Minor improvements	\$3.7 million	Rates & subsidy	2012-22
Footpath upgrading	\$3.4 million	Depreciation	2012-22
Castlepoint safety improvements	\$500,000	Loan, rates & subsidy	2014-16
Solway Crescent upgrades	\$1.3 million	Subdivision contributions	2016-17 and 2020-21
Manawa Bridge	\$600,000	Depreciation & subsidy	2012-13
Upgrade street lighting	\$2.5 million	Depreciation, subsidy & rates	2019-20

Solid Waste

Nursery Road Transfer Station: We will continue to streamline our waste transfer and recycling facilities at Nursery Road and will cap the former landfill.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Landfill capping	\$335,000	Reserve funds	2015-16
Special waste facilities (asbestos, grease, bio waste, grit trap)	\$370,000	Loan funded	2012-14
Renew transfer station floor	\$230,000	Depreciation	2016-17

Looking after the Community

Library

Extend Masterton Library: We need more room in our library so participants in library programmes and computer users do not disturb other library users. This will also include investigating the possibility of shifting Masterton's archives from rented premises into the library itself, to make it easier for the public to access archive material.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Review of library building	\$1.15 million	Loan funded	2016-17
Book renewals	\$1.7 million	Depreciation	2012-22

Parks and Playgrounds

Install play equipment at McJorow Park and rejuvenate Queen Elizabeth Park: We're focussing on improving our parks and playgrounds. We've set aside funds to improve and install play equipment throughout the Masterton District, with additional investment in McJorow Park to encourage more families to use the park, and continue rejuvenating Queen Elizabeth Park mainly in Years 1-3. The extension of the recreation trails network receives an annual budget allocation.

What are we planning?	What will it cost?	Where will the funds come from?	When?
QE Park rejuvenation	\$517,000	Reserve contributions & loans	2012-22
Upgrade structures, facilities and playgrounds	\$458,000	Depreciation / external	2012-22
McJorow Park	\$177,000	Reserves & loan	2012-16
Recreation trails	\$274,000	Reserve contributions	2012-22



Buildings

Keeping Residents Safe: We will focus on earthquake strengthening Council buildings, including the Riversdale toilets. The Council is yet to debate what percentage of the earthquake standard will be the minimum requirement for this work. We'd also like to make the Town Hall's stage area safer for users, and improve the building's heating and cooling systems in 2013-14.

We'd like to commission earthquake assessments of commercial buildings where property owners have not done so. We plan on recovering the costs of this assessment work from building owners.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Upgrade safety of town hall	\$225,000	Depreciation & reserve funds	2012-13
Upgrade reception and office space	\$584,000	Loan funded	2014-15
Earthquake strengthening Council buildings	\$2.3 million	General capital & loan	2015-17

Central Business District

Revitalise Masterton's Central Business District: We plan on revitalising the Central Business District in 2020 and will be consulting on what work should be done to make this happen.

What are we planning?	What will it cost?	Where will the funds come from?	When?
Consultation	\$140,000	Rates	2012-19
Implementation	\$3.8 million	Development contributions / loans	2019-20



Our Long-Term Plan 2012-2022 – we want to know what you think

Here's the key issues and questions that we'd like to hear from you on:

Rating Impacts

The overall increase is forecast as 9.1% in Year 1, reducing to 4.4% in the following two years and down to 3%, or less, in the three years after that. Increases will vary between urban and rural properties.

The completion of the Homebush wastewater treatment plant upgrade is in sight and the final step in the three years of stepped rates increases will be required in 2012/13. The urban rates are forecast to move up by an average of 9.9%. Some 6.1% of this movement relates to the costs of the sewerage system upgrades. Rural rates are expected to increase on average 6.7%. Impacting on this increase are increased roading costs and a reduction in the subsidy received from NZTA. The main increases in the Local Government Cost Index are related to insurance and electricity charges.



The impact of the rates increase across properties in the Masterton District will vary significantly as the district revaluation in September 2011 is put into effect. Many farms will see little change in their rates, while lifestyle and beach properties will see increases above the average change. In the urban area, commercial properties fared better in the revaluation and so will carry a greater share of the rates increase.

Does the Council have a Choice?

Yes. It is a Council decision to set the rates, but the Council must proceed with the Urban Wastewater Treatment project to meet consent conditions.

Council's Preferred Option

We have elected to maintain our current services in setting the rates for Year 1, noting that other than the urban sewerage scheme and reduction in the roading subsidy, our increased costs are within the Local Government Cost Index forecast increase of 5.3%.

The increases in rates reduce after Year 1.

Other Options

1. We would need to reduce the roading programme by \$150,000 per year to generate an annual saving of around \$82,000 to compensate for the loss of NZTA subsidy. This could mean deferred work will accumulate and require a higher level of spending later.
2. Absorb cost price increases. These amount to an increase of 3.8% in the urban ward and 5.6% in the rural ward. This would require a reduction in levels of service that may not be sustainable over time.

Do you agree that we should continue with our planned work and our planned levels of service in Year 1?

Funding Policy

We have a range of funding methods to pay for our services.

Where there is a direct private benefit, we charge the user directly. User-pays applies to such activities as parking, dog registration, building consents and transfer station waste disposal.

Part user-pays applies in some areas where full charging would exclude many people from this services e.g. swimming pools.

Where there is a community good or a universal service, we charge rates. Rates are charged in three ways: a flat or uniform charge on each property; a charge based on land value and a charge based on capital value. Some rates are targeted to properties that received specific services.

Values are determined every three years by Quotable Value. Rating on property values means that low value properties pay less than those with higher value properties. In addition, commercial properties pay a higher proportion than residential properties.

We spread the cost of replacement of assets across the expected life of the asset by a combination of rating for depreciation and borrowing for some capital projects.

Only minor changes in our policy are proposed in this Plan. Subsidised roading costs will be split 24% to urban ratepayers and 76% to rural ratepayers, which reflects the value of the work in each area and has not changed from prior policy. In the rural ward, land value will be the basis of 70% of the roading costs and 30% from a uniform charge on each property. In the urban ward, the split will be 80% land value and 20% as a uniform charge. Previously these were 65%/35% and 78%/22% respectively.

Statistics NZ has provided a new estimated resident population, which means that those costs divided between wards based on population will now be 77.5%/22.5% urban/rural, previously 78%/22%.

We have added a targeted rate to beach properties to cover the costs of refuse and recycling collection services at Castlepoint and Riversdale Beach. Year 1, set at \$82, is only a 50% recovery of direct costs and is planned to increase in Year 2.

Does the Council Have a Choice?

Yes. The Council can determine how to allocate charges across user-pays, uniform charges and land and capital values, as well as apportioning urban/rural and urban residential/non-residential allocations.

Council's Preferred Option

To continue with the current funding policy, as outlined above.

Other Options

1. Vary the balance between user-pays, uniform charges and land and capital values. This could result in heightened inequalities in affordability and access to services.
2. Vary the allocation ratio between urban/rural and urban residential/non-residential. As this is based on population and services, this could create inequities.

For further information regarding our funding policies, refer to Revenue and Financing Policy on pages 1-22 of Volume 2 of the Long-Term Plan.

Do you support our policies for funding the Council's activities now and for the future?

Water, Sewerage and Stormwater

We have committed additional funding for improvements to water and sewerage infrastructure, including pipe replacements and earthquake strengthening.

Does the Council have a Choice?

Yes. The Council can set its replacement and maintenance programme.

Council's Preferred Option

The Council plans to borrow funds for additional upgrading of the water infrastructure from Years 1-5 and additional upgrading of sewerage infrastructure in Years 1-3. Subsequent stormwater upgrades will be funded from depreciation reserves.

Other Options

1. We could defer this work and save up to \$1.7 million on sewerage in each year and up to \$800,000 in Year 1 on water. We would run the risk of an inefficient service or even failure of sections of the infrastructure that would require urgent repairs.
2. We could spend more money on water, sewerage and stormwater improvements now, in order to enhance and improve the robustness of our services even sooner. This would result in additional rates increases that we consider are not affordable. This would add \$400,000 to Year 1 expenditure on water and \$1.7 million each year on sewerage.

Do you support the Council's proposal for additional funding for ongoing repair and renewal work on sewerage pipes in the first three years of the Plan, and water in the first five years of the Plan?

Roading

Council relies on external funding from central government to support road maintenance and capital development projects. Our subsidy from NZTA is being reduced from 55% to 54% for the next three years. This equates to \$82,000 less each year than is currently received. The Plan assumes continuation of the 54% subsidy on its agreed roading work.

Does the Council have a choice?

Yes. Council can determine its roading programme based on road condition and safety.

Council's Preferred Option

Council proposes funding the 1% difference from rates to continue the roading programme of approximately 31km of reseals and a further 8km of pavement rehabilitation. (Pavement rehabilitation involves a rebuild of the road base.)

The Plan also intends to progress several minor safety projects that include cycling initiatives. We will continue to investigate how the Masterton District can link into a national cycleway network.

Other Options

1. We have a choice of not doing work, spreading it over a longer period, or delaying our planned maintenance. None of these options are sustainable in the long term. There is a risk that delayed work could accumulate to a point where a large sum of money will be needed to bring roads back up to our current standards.
2. Increasing our roading programme, although this would lead to greater rates rises.

In future, should the Council increase the amount it contributes from rates to the road maintenance and safety improvement programme if future shortfalls in roading subsidies occur?



Solid Waste Issues

Our aims are to reduce waste to landfill and encourage the responsible disposal of waste. We do not plan to increase landfill gate fees at this stage, but the cost of Council's official collection bags will increase by 4% to cover inflation and gate fees may need to increase to reflect the Emissions Trading Scheme levy from July 2013.

There are four issues regarding the disposal of solid waste which we would like your opinion on: e-waste, food waste, local landfill and rural waste changes.

E-waste

Currently there is no national co-ordination of the disposal of old computers, televisions and their toxic components.

Food Waste

Currently 40% of residential urban waste is food waste. We are considering a proposal for a separate collection of all food waste (including bones) for composting.

Local Landfill

At present our waste is transported to the Bonny Glen landfill near Marton. Managing landfills in a sustainable way is a complex and costly operation.

We need to be sure that the cost of transporting our waste to a landfill outside our district is less than running our own landfill within the Wairarapa.

Does the Council have a choice?

Yes. Council chooses the services and facilities it provides and funds these through a mix of rates and user charges. Legislation and resource consents specify standards and compliance requirements.

Council's Preferred Options

1. Explore a separate solution for collecting and disposing of e-waste with advice from the Ministry for the Environment.
2. Assess the demand and feasibility of a food waste collection service in the urban area.
3. Allocate \$80,000 in Year 3 to investigate options and assess the feasibility and cost of a Wairarapa landfill. We consulted on undertaking this analysis when we circulated the Waste Minimisation Plan in 2011. We would still focus on waste minimisation to reduce the transfer of waste to any landfill.

Other Options

1. Collect and store e-waste separately, with an increase in associated costs to cover sorting and storage.
2. Continue to collect food waste alongside other refuse. As 40% of household waste is food, there is a cost for disposal at landfill.
3. Continue to transport solid waste to a landfill out of the district, without a direct cost and efficiency comparison to a local landfill, at a time when there are pressure to reduce waste to landfill.

Do you have a need for an e-waste collection service?

Would you use a food waste collection service?

Do you support investigating the cost of establishing and operating a local landfill?

Rural Waste Changes

Until now all rural properties have paid for local solid waste services as part of their rates uniform charge. Council is proposing changes to progressively move towards a user-pays model, which will also enable Council to be more flexible in its service delivery and tailor services in the rural areas to meet local needs.

Currently, there are transfer stations at Castlepoint, Riversdale and Mauriceville. There is a weekly collection of official rubbish bags in Tinui, Castlepoint and Riversdale. The cost of operating the Mauriceville transfer station is approximately \$900 per tonne and for Riversdale it is approximately \$600 per tonne. Waste from the urban transfer station costs \$172 per tonne, which is covered by gate charges.

Does the Council have a choice?

Yes. Council determines which services to provide and how they should be funded.

Council's Preferred Options

There are three major changes proposed for rural waste:

1. Close the Mauriceville transfer station and replace it with a weekly recycling and official bag collection service in the village. Any costs not covered by bag sales will be funded from the rural uniform charge.
2. Consult on the allocation of an additional three hours per week at both the Riversdale and Castlepoint transfer stations.
3. Move towards a 'user pays' model to fund rural waste services, by reducing the uniform charge on all rural properties from \$70 to \$60 and introducing an additional targeted rate of \$82 for recycling and refuse collection at Riversdale and Castlepoint in Year 1, increasing in later years to a self-funding service. Initially this would cover half the cost of recycling and refuse collection that is currently not covered by bag sales in these areas.



Year 1 Proposed Rural Waste Charges

	All Rural Properties	Castlepoint	Riversdale	Mauriceville	Tinui
Uniform charge	\$60	\$60	\$60	\$60	\$60
Recycling and collection rate		\$82	\$82	No additional rate charge	No additional rate charge
Additional beach transfer station hours		No additional rate charge	No additional rate charge		
TOTAL	\$60	\$142	\$142	\$60	\$60

Other Options

1. Continue operating a local transfer station at Mauriceville. At \$900 per tonne, this is considered to be uneconomic.
2. Maintain current operating hours at Riversdale and Castlepoint transfer stations, despite feedback that these are not convenient.
3. Continue with all rural waste costs funded by the higher rural uniform charge, despite many properties not being able to access this service.
4. Continue to subsidise Riversdale and Castlepoint collection services as the sale of official Council collection bags does not cover the full cost of the service.

Do you agree that the proposed changes to rural waste collection and disposal provide a fairer and more effective service?

Parks, Sport and Recreation

Some people have asked for higher maintenance standards and for additional areas to be included in the parks and reserves maintenance contract.

We have also been asked to consider increasing our support for sport. (We currently spend around \$400,000 on sports fields and rebate half the rates on sports facilities.)

Sports groups on Council-owned properties are charged a partial contribution towards the additional costs of preparing sports fields.

There have been a number of requests to upgrade sports facilities. We have not included any specific projects in this Long-Term Plan and we would need to consider the additional maintenance and operating costs associated with new or upgraded facilities that will require ongoing rates commitments.

Current opening hours at the Genesis Energy Recreation Centre have been set to manage operating costs and provide a service to the majority of pool users.

Does the Council Have a Choice?

Yes. Council can choose its level of investment in parks, sport and recreation.

Council's Preferred Option

To increase levels of park maintenance by providing additional funding, enabling the use of Task Force Green workers to supplement our contracted maintenance work. This has the added benefit of providing work experience opportunities for some members of our community.

We invite submissions for upgraded facilities from sports groups that should include your planned timetable, the expected impact of the project on your sport and your provision for ongoing management and replacement. We will need to balance any requests across all Council priorities.

This Long-Term Plan proposes that current levels of funding for the Genesis Energy Recreation Centre are maintained, with provision for increased energy and insurance costs to be covered from rates.

Other Options

1. Maintain the status quo by only increasing the current allocation of funds in line with inflation. If we did this, the standard of parks and reserves would not improve and could deteriorate during the 10-year cycle of this Plan.
2. Reduce Council's spend on parks and reserves, which would mean lowering maintenance standards (e.g. mowing the grass less frequently, emptying the bins less often or removing planted road gardens). It is likely that this option would result in less aesthetically-pleasing parks and reserves and decreased satisfaction with the 'look' of the town.
3. Maintain the status quo or reduce Council's spend on sport and sports facilities. This would mean lowering service standards, not supporting new projects, thereby increasing the cost to individual clubs. This could result in poorer facilities and fewer opportunities for sport within the Masterton District.
4. Increase the rates contribution to cover extended opening hours at the Genesis Energy Recreation Centre or increase entry fees. The latter could discourage use and result in decreased patronage. It would also make the Centre less accessible and less affordable for some members of our community. Council also has a public good element to consider when making funding decisions.
5. Reduce opening hours in order to reduce costs. This may make the Centre less accessible to some groups and would not impact on some overheads, such as insurance, so costs may still increase.

Do you think the Council's investment in parks, reserves and sport should increase, stay the same or decrease?



Central Business District (CBD) Improvements

A vibrant and attractive retail and services area is critical to the economic success and image of the town. In order to maintain and improve the CBD, work will be needed during the 10-year period of this Plan. There may also be some changes to buildings in the town as a result of earthquake-strengthening requirements that could impact on the roles and uses of the CBD.

Does the Council Have a Choice?

Yes. Council can choose to carry out as much or as little work on revitalising the CBD as it sees fit.

Council's Preferred Option

To carry out consultation on plans to revitalise the CBD from Years 1-7. We have allocated a total of \$3 million in Year 8 for implementation. The proposed funding would include ongoing community consultation, design work, roading, landscaping and structures.

Other Options

1. Bring forward our plans to improve the CBD, although this would require increased rates input now. At this stage we do not know the impact of the earthquake assessment requirements and so it could be premature to bring the work forward.
2. Defer or not undertake this work, which would have no immediate impact on rates now, but the overall look of the CBD would deteriorate over time and become less appealing for commercial investment and visitors.
3. Delay the consultation phase until closer to the implementation period. This would defer the expenditure of around \$20,000 per year, but could affect the quality of the consultation and planning phases.

Do you agree that we should plan to revitalise the CBD in Year 8?

Extension to the Library Building

We have included an extension to our library building in Year 5 of this Plan at a cost of \$1.15 million.

Our library is under pressure to increase numbers of computers available for public use and the accommodation is inadequate for programmes such as Seniors Celebrate, Summer Reading Programme and early childhood programmes. We would like to offer more to our community, but are currently limited by space.

Despite the advent of e-books and increasing use of the internet for information, we are assuming that hard copy books will continue to be published for many more years, that the demand for information will increase and that programmes will continue to be a feature of the library's interaction with its communities.

Does the Council Have a Choice?

Yes. The decision to review the library building and the proposed timing of the work is for Council to make.

Council's Preferred Option

To invest \$1.15 million to improve the space available in the library in Year 5 to best meet the services required of a modern public library.

Other Options

1. We could invest in extending the library earlier, which would require increased rates input in those years.
2. We could postpone the improvement programme beyond Year 5. There is some maintenance and renewal work that has been scheduled as part of the upgrade and this work would need to proceed so there would be some impact on rates. Not doing or deferring the work further may restrict the types of services, programmes and activities we could offer as part of our library service in the future.

Do you agree that the Council should allow \$1.15 million to consider the future shape and form of the library in Year 5?



Freedom Camping

The government has changed the law to allow freedom camping in the district, except on gazetted reserves. This includes camping in tents, caravans, camper vans and other vehicles. The Council has the ability to limit this in specified areas, including instant fines for damage by freedom campers.

Does the Council Have a Choice?

Yes. If the Council wants to limit freedom camping it would need to develop a by-law prohibiting freedom camping in designated areas.

Council's Preferred Option

We prefer to encourage visitors to use designated camp grounds at Castlepoint and Mawley Holiday Park.

We will monitor freedom camping and respond if and when issues arise. To date freedom campers have acted responsibly.

Other Options

1. We can restrict specified areas in addition to those restricted by the Reserves Act. We would need to identify the areas that would be restricted and we are seeking community feedback on whether there are areas that the community wants to see restricted.
2. We could identify specific areas where freedom camping could be encouraged. The provision of facilities such as toilets and picnic tables could help 'channel' people to preferred spots, as identified by our community. There would be a cost to building, operating and maintaining any additional toilets. We have just invested in upgrading Mawley Holiday Park and this could reduce the return on that investment.

Do you want to prohibit freedom camping in any particular areas?





Regional Amenities Fund

We want your views on a proposal for the residents in the wider Wellington Region to share in providing funds for major amenities and events.

The funded events and amenities would be selected by a panel appointed by the Mayoral Forum and could include amenities such as Te Papa, Wellington Zoo and Kapiti Island. Masterton and Wairarapa events and amenities would be able to apply to the fund. We might expect support for events like the Wings over Wairarapa airshow.

Masterton's share would be based on a distance differential and in the first year we would pay \$20,000 towards the set-up fund of \$1 million.

If this was spread evenly over rateable properties, it would equate to \$1.64 per property. By Year 4, the fund would reach \$2.75 million and Masterton's contribution would be \$55,000, which equates to \$4.51 per property.

In contrast, Wellington city would average \$16.02 per rateable property.

Does the Council Have a Choice?

Yes. The Council can make its own decision, but whether the fund proceeds is dependent on other Councils also agreeing to participate.

Council's Preferred Option

The Council can see advantages in contributing to the fund to maintain the current level of events and facilities available in the Wellington Region, including the Wairarapa, but it is interested in the views of the community.

Other Option

1. To decline to participate in the fund in at least the first years. This would mean that any facilities or events in our district would not be eligible for funding from the wider region and could mean that some events and facilities in the Wellington Region would close or relocate to another area.

Do you think the Council should contribute \$20,000 from rates in Year 1 (increasing to \$55,000 by Year 4) to a Wellington-wide regional amenities fund?

Other Issues We Are Working On

Shared Services or Amalgamation of Councils

This Plan was prepared to maintain services in the Masterton District. It is likely that during the term of this Plan some services will be managed across the Wairarapa. Emergency Services Civil Defence is already operating in this way and may be shared across the Wellington Region from 1 July 2012.

Most libraries in the Wellington Region are in the process of merging their collections and their members can now borrow from any participating library.

Studies to consider the benefits, costs and disadvantages of shared services and/or amalgamation, either within the Wairarapa or across the Wellington Region, are underway while this Plan is being prepared, but will not be completed in time to be included in the draft Plan.

We will consult separately on this issue when we have more information on the result of these studies.

Water Supplies

Under the current consent we have sufficient water to meet demand, with some restrictions in the summer to ensure we stay within the consent conditions. We do not foresee a need for meters in the urban area, but plan to meter large commercial users and the rural users of the urban water supply to monitor and manage usage in Year 2 of the Plan.

We could introduce water metering more widely, but we believe the cost of implementing and managing this outweighs the benefit. Implementation would require rates increases in the short term to cover installation costs.

Council believes it is more cost effective to continue with its current demand management programme of implementing water restrictions as required in summer months.

Continuing work on improving the water supply infrastructure will also help to conserve water by reducing the amount of water lost through leakages.

Do you support the continuation of our residential summer restrictions to manage water usage?

Water and Sanitary Services Assessment

The Local Government Act 2002 requires all local authorities to regularly assess their water and sanitary services.

The draft 2012 WASSA has been compiled from a number of sources and provides a snapshot of the Masterton District as at March 2012.

It provides a high-level overview of the demand and risks associated with the Council's and the district's water and sanitary services. The key purpose of the assessment is to ensure that the provision of these services is sufficient to maintain public health.

We are asking for your assistance in ensuring that the information in the WASSA is as current and accurate as possible, so we can develop our water and sanitary services to effectively meet the needs of our communities.

A summary of the draft 2012 Water and Sanitary Services Assessment can be found in Volume 2 – Policies, page 56.

Copies of the full document are available from Masterton District Council or from the Council's website www.mstn.govt.nz.

Have we included all the information you are aware of in the Water and Sanitary Services Assessment?

Sustainability

Social, economic, environmental and cultural sustainability are of critical importance in preparing this Plan for the next 10 years.

Maintaining, and where required, improving performance of the infrastructure in compliance with our resource consents is a key focus of the Plan.

The Council has a Sustainability Strategy that includes actions such as reviewing procurement policies to better reflect sustainable values, working towards energy efficiency and a reduced carbon footprint within its own offices.

The Council also acknowledges its responsibility in supporting social and cultural sustainability. The resilience of the community can be enhanced by improving community capacity to respond and initiate new ventures.

To this end, the Council will support community events, community safety and community service groups. Implementing the Wairarapa Arts Culture and Heritage Strategy and the Active Wairarapa Plan will contribute to a healthy, active and involved community.

Does the Council do enough to improve social, economic, environmental and cultural sustainability?

FINANCIAL STRATEGY AND FINANCIAL OVERVIEW

The Financial Strategy – Living within our means

Do you support our strategies for funding the Council's activities now and for the future?

The Council's financial strategy is designed to ensure the continuing delivery of services for the residents and ratepayers of Masterton District in a sustainable and affordable way. The strategy is stated in full in volume 1 of the Long-Term Plan and summarised below.

The key principles are as follows:

- ◆ To look after our assets and infrastructure for today and tomorrow
- ◆ To ensure our community can afford our plans
- ◆ To run a balanced budget
- ◆ To apply our rates in a fair and equitable way
- ◆ To maintain a prudent level of debt

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

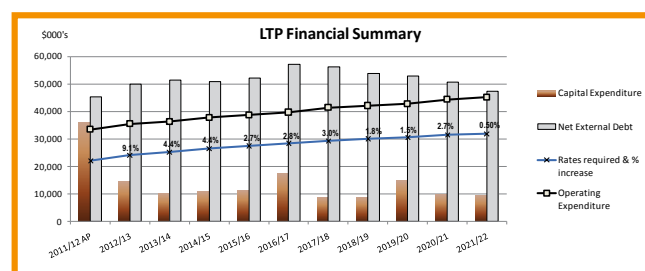
We prepare detailed plans every year and a ten year plan every three years. We report against those plans every year in a comprehensive annual report.

The end-point focus of the financial strategy is to 'maintain service delivery while ensuring financial sustainability'. Asset management plans are a key tool in this strategy and form the basis for the renewals expenditure which is detailed in the Long-Term Plan.

The urban infrastructure is the key driver of costs in this Long-Term Plan. The \$30 million wastewater treatment plant upgrade is nearing completion, we are continuing a programme of water and sewer pipe renewals and we are upgrading aspects of the water treatment plant. This infrastructure investment has driven costs up and for the third year in a row the urban rates increase (2012/13) will be above the rate of inflation.

For the remainder of the Long-Term Plan period the Council intends to hold overall rates increases to within 1% of the Local Government Cost Index. Rates increases at the individual property level may vary from this target.

The graph below provides a summary view of the main financial aspects of the Council's 2012-22 Long-Term Plan. The high capital expenditure in the current year has impacted on increased operating expenditure, the need for increased rates and is the reason debt has increased to sit at around the \$50 million mark.

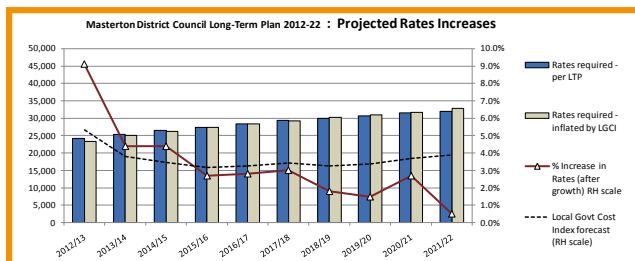


Rates Cap

To ensure rates affordability over the ten years of the plan the Council has decided on the following target for rates increases from year two:

LG Cost Index (inflation) plus 1%

The following graph summaries the projected rates increases over the ten years of the Long-Term Plan and how they compare to the BERL inflation projections.



Debt Limits

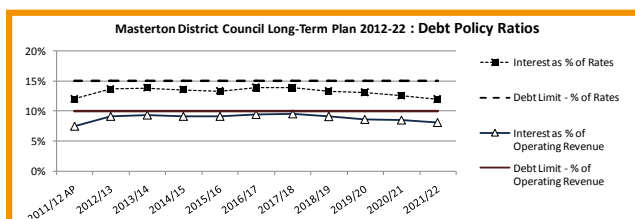
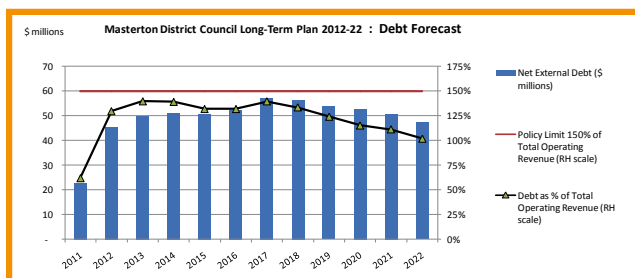
Council's net debt will reach \$45 million at the beginning of the Long-Term Plan. The Council's borrowing is based on our ability to offer rates revenue as security. The Council has set what it considers prudent limits on the level of debt and its impact on the financial sustainability of the organisation. The limits are:

Net external debt to be no more than 150% of Operating Revenue

Interest on external debt to be no more than 15% of Rates Revenue

Interest on external debt to be no more than 10% of Operating Revenue

The graphs below represent forecast debt in relation to the policy limits.



Other Financial Aspects

The Council has modest reserve funds built up from asset sales and funding depreciation on assets. In the first few years of the Plan we will be drawing on these funds to renew assets, but in later years we expect the funds to build up. This provides potential to repay debt earlier or utilise more internal borrowing.

Our Plan shows a balanced budget and consistent surpluses from which debt repayment is provided for.

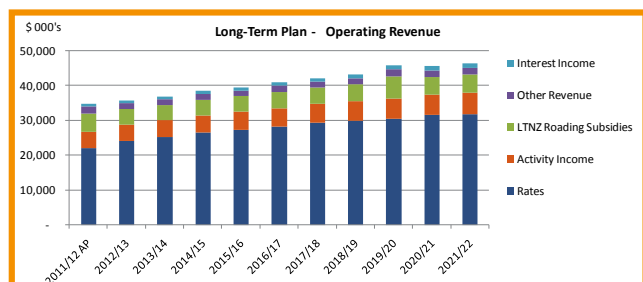
Where growth requires new assets, funding will be from loans and development contributions that are charged to developers through the Wairarapa Combined District Plan.

There are a few areas where we are not fully funding the depreciation on our assets:

- ◆ Roading – where we do not fund depreciation on the NZTA subsidy
- ◆ Housing for the elderly is not fully funded to keep the rental affordable
- ◆ Rural halls where we may not replace them
- ◆ Genesis Energy Recreation Centre, where we expect to attract external funding for future replacement. We fund depreciation to cover replacement of plant and equipment and regular building renewals.

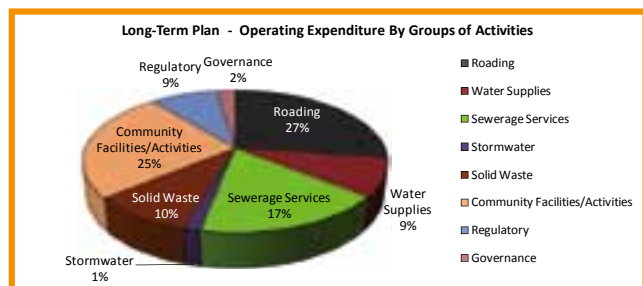
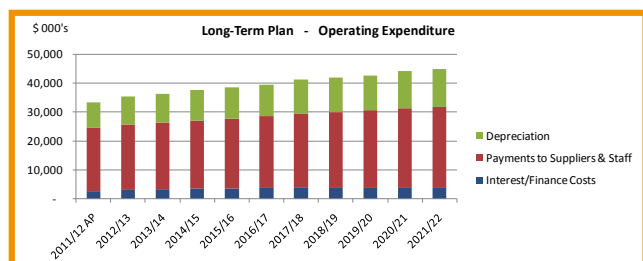
Revenue Sources

The Council's Revenue & Financing Policy describes the basis of funding of each of its activities. Where it is practical and equitable, the Council will seek to recover costs from the users of a service. Examples include transfer station gate fees, housing rentals and building consent fees. Roothing expenditure attracts a Government subsidy of 54%. The graph below summarises the sources of operating revenue that are projected over the ten years of the Long-Term Plan.



Operating Expenditure

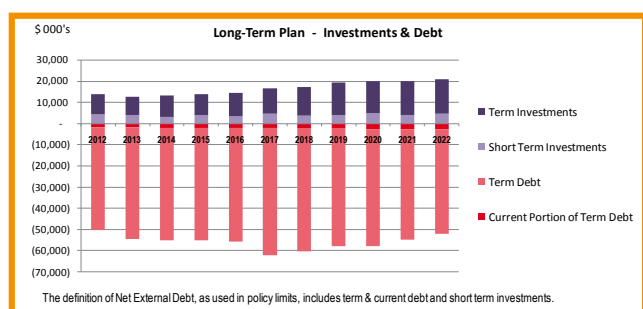
The graph below shows the main components of operating expenditure and how they are projected to move over the period of the Long-Term Plan. The second pie chart shows operating expenditure split between each of the groups of activities. Roothing and Sewerage Services make up 27% and 17% respectively.



Investments and Debt

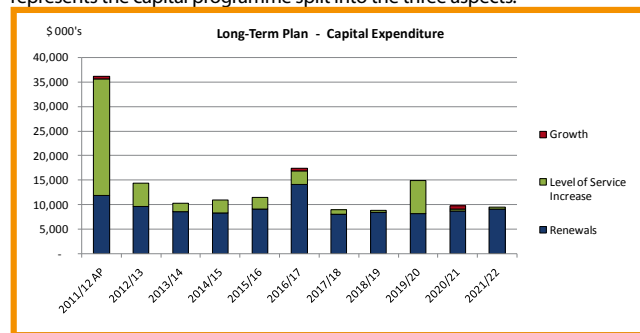
The Council's Financial Strategy includes the holding of investments to match the value of special funds and reserves balances. Those reserves are held for both strategic purposes (eg in case of a disaster) and representing depreciation funding to be utilised for asset renewals. The Council will hold a level of investment funds throughout the period of the Long-Term Plan and these funds are forecast to increase. The Council may choose to use some of those funds for faster debt repayment in later years of the Long-Term Plan, but currently the financial modelling does not model this.

The graph below shows both investments (positives) and term debt (negatives) as they are projected to change over the course of the Long-Term Plan.



Capital Expenditure

The Council has forecast a programme of capital expenditure to ensure its assets continue to deliver services. The programme is dominated by renewals expenditure, but there are some aspects of increases in levels of service and some capital expenditure driven by growth demands. The graph below represents the capital programme split into the three aspects.



Rating System

There are few changes proposed to the way the Council divides up the rates for the district.

The system is based on an initial allocation of costs between urban and rural wards and then the selection of the most appropriate rating tool to charge specific costs. We allocate the costs of urban services (water and sewerage) to the urban ward as targeted rates. This is the main reason for the variability of the rates increase between the wards.

The mix of tools includes uniform (flat) charges, rates per \$ of land value and rates per \$ of capital value. The full policy allocations are detailed in Volume 2 of the Long-Term Plan.

One new rate is proposed – a targeted rate on properties at Castlepoint and Riversdale Beach to fund the cost of the waste and recycling collections they receive.

The property revaluations which were effective in September 2011 will be applied in 2012-13 and will result in significant variability across different types of property. Many farm properties will see very little change while smaller rural properties will see rate increases above the average. In urban Masterton, the average increase for residential properties will be around 9% but many commercial properties can expect increases of more than 12% because their valuations did not drop as much as residential ones.

The Revenue & Financing Policy can be summarised in the following table:

Urban uniform and service charges	32%
Urban Land Value rates	12%
Urban Capital Value rates	56%
Rural uniform charges	36%
Rural Land Value rates	36%
Rural Capital Value rates	23%
Rural targeted services rates	5%

A table of example property rates changes is listed below:

	CV (at Sept 2011)	2011/12 Total Rates (GST Incl)	2012/13 Total Rates (GST Incl)	Percentage Change
Masterton - residential, low value	\$ 155,000	\$ 1,459	\$ 1,604	10.0%
Masterton - residential median value	\$ 225,000	\$ 1,865	\$ 2,034	9.0%
Masterton - residential high value	\$ 410,000	\$ 2,853	\$ 3,075	7.8%
Masterton - central, small area	\$ 310,000	\$ 2,219	\$ 2,475	11.5%
Riversdale - beachfront	\$ 590,000	\$ 1,999	\$ 2,231	11.6%
Riversdale - non-beachfront	\$ 300,000	\$ 1,498	\$ 1,654	10.4%
Castlepoint	\$ 475,000	\$ 1,537	\$ 1,720	11.9%
Rural - lifestyle, 2 ha	\$ 460,000	\$ 1,181	\$ 1,303	10.3%
Rural - forestry	\$ 990,000	\$ 2,669	\$ 2,936	10.0%
Rural - hill country farm	\$ 2,220,000	\$ 5,993	\$ 6,002	0.1%
Rural - large farm	\$ 6,800,000	\$ 18,433	\$ 18,566	0.7%
Commercial - industrial	\$ 770,000	\$ 7,398	\$ 8,397	13.5%
Commercial - Queen St shop	\$ 405,000	\$ 4,598	\$ 5,063	10.1%

Note: All rates exclude Greater Wellington Regional Council rates.

Copies of the full Draft Long-Term Plan are available free to read or take away from the Council Offices and the District Library, as well as the stores at Castlepoint and Riversdale. It is also available on our website www.mstn.govt.nz. We recommend you read the relevant sections of the full Draft Plan if you are making a submission.

Please Tell us What you Think

To make your submission effective you may wish to consider the following tips:

1. Make it clear what you are supporting in the Draft Plan and what you are opposing and your reasons.
2. If you want to add new projects or expenditure into the Plan, tell us why it is important.
3. If you think expenditure (and consequently rates) are too high, tell us which projects in the draft that you think are low priorities and/or how they should be funded.
4. Consider also the timing of projects when making your submission. For instance the CBD upgrade is scheduled for 2019-20. You could propose that we delay or bring forward the project.

You want to know more about the Plan or have some questions

We will make a short presentation on the Plan and answer your question at the following public meetings

3 May 1pm or 7pm

1st floor Committee Room of the Council Building

We will also come to one of your group meetings to do a presentation and answer questions, if this would be of interest to you.

For more information please ring us on 06 370 6300.

How to Make a Submission

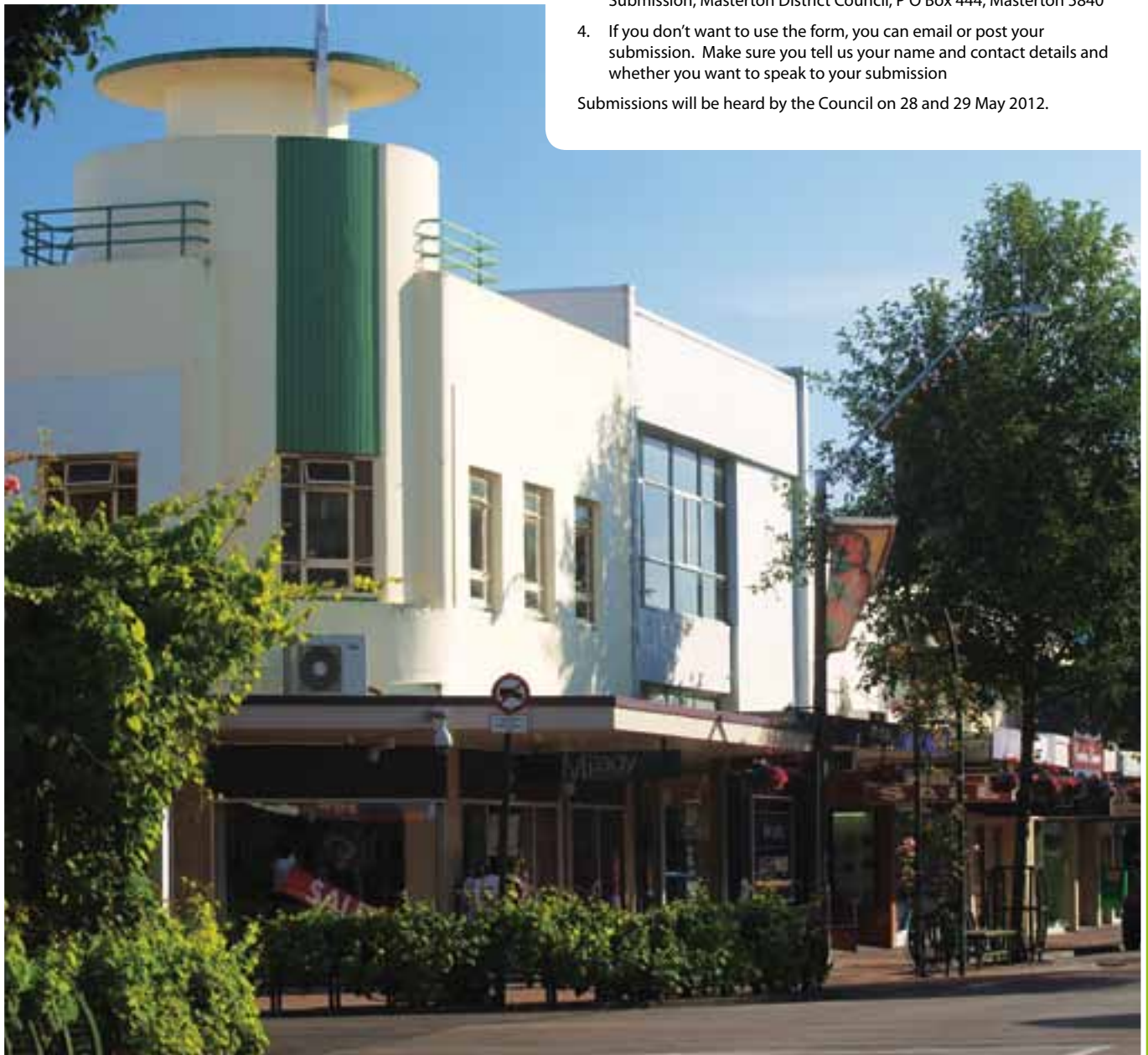
We want to hear your feedback.

Submissions close on 16 May at 5pm

How to send your submission

1. Make a submission on the form at the back of this summary and post to Freepost 112477, Long-Term Plan Submission, Masterton District Council, P O Box 444, Masterton 5840
2. Fill in an online form on the website and submit it from there
3. Download a copy off our website www.mstn.govt.nz and email it to admin@mstn.govt.nz or post to Freepost 112477, Long-Term Plan Submission, Masterton District Council, P O Box 444, Masterton 5840
4. If you don't want to use the form, you can email or post your submission. Make sure you tell us your name and contact details and whether you want to speak to your submission

Submissions will be heard by the Council on 28 and 29 May 2012.



SUBMISSION FORM

Name:

Email:

Address:

Day Telephone:

Evening Telephone:

Please return to us by one of the following:

- ◆ Freepost: 112477, by 4pm Wednesday 16 May 2012, to P O Box 444, Masterton 5840
- ◆ Online www.mstn.govt.nz (complete electronic form)
- ◆ Email to admin@mstn.govt.nz

All submissions will be available to the media and the public.

If you would like to speak in support of your submission before the Mayor and Councillors, please choose your preferred time of day:

Monday 28 May: Afternoon ☐ Evening ☐

Tuesday 29 May: Morning ☐

Please tick ✓

1. Do you agree that we should continue with our planned work and our planned levels of service in Year 1? Yes ☐ No ☐

Comment:

2. Do you support our strategies for funding the Council's activities now and for the future? Yes ☐ No ☐

Comment:

3. Do you support our policies for funding the Council's activities now and for the future? Yes ☐ No ☐

Comment:

4. Do you support the Council's proposal for additional funding for ongoing repair and renewal work on sewerage pipes in the first three years of the Plan, and water in the first five years of the Plan? Yes ☐ No ☐

Comment:

5. In future, should Council increase the amount it contributes from rates to the road maintenance and safety improvement programme if future shortfalls in roading subsidies occur? Yes ☐ No ☐

Comment:

6. Do you have a need for an e-waste collection service? Yes ☐ No ☐

Comment:

7. Would you use a food waste collection service? Yes ☐ No ☐

Comment:

8. Do you support investigating the cost of establishing and operating a local landfill? Yes ☐ No ☐

Comment:

9. Do you agree that the proposed changes to rural waste collection and disposal provide a fairer and more effective service? Yes ☐ No ☐

Comment:

10. Do you think the Council's investment in parks, reserves and sport should
a) increase; b) stay the same; or c) decrease? a) ☐ b) ☐ c) ☐

Comment:

11. Do you agree that we should plan to revitalise the CBD in Year 8? Yes ☐ No ☐

Comment:

12. Do you agree that the Council should allow \$1.15 million to consider the future shape and form of the library in Year 5? Yes ☐ No ☐

Comment:

13. Do you want to prohibit freedom camping in any particular areas? Yes ☐ No ☐

Comment:

14. Do you think the Council should contribute \$20,000 from rates in Year 1(increasing to \$55,000 by Year 4) to a Wellington-wide regional amenities fund? Yes ☐ No ☐

Comment:

15. Does the Council do enough to improve social, economic, environmental and cultural sustainability? Yes ☐ No ☐

Comment:

16. Do you support the continuation of our residential summer restrictions to manage water usage? Yes ☐ No ☐

Comment:

17. Have we included all the information you are aware of in the Water and Sanitary Services Assessment? Yes ☐ No ☐

Comment:

Please attach additional comments.