

Introduction

Introduction

This document is the 2009 to 2019 Long Term Council Community Plan (LTCCP) for the Wairoa District.

It takes account of the Local Government Act 2002 – the governing legislation that sets out what Council can and cannot do and reflects a clear move toward a concept of “general competence”.

On one hand general competence gives Council greater flexibility in terms of the activities they can become involved with but on the other it increases the opportunity for more community involvement in decision-making.

The life of this LTCCP is from 1 July 2009 until 30 June 2019 (with a review in 2012).

What is an LTCCP? It is a document that sets out the Wairoa District Council and community priorities over the medium to longer term. It will also tell you how the Council intends to contribute to the well-being of the community over the life of the plan.

An LTCCP details what Council intends to do over the next ten years, how this will be achieved and what it will cost.

It is a ten year plan and is more holistic in terms of acknowledging and responding to Community concerns. It will be reviewed every three years to keep up-to-date.

An annual plan will also be completed to keep everyone informed of Council’s work during the year.

The full LTCCP contains the following documents.

- Volume 1, this document, and
- Volume 2, details all of Council’s Activities and contains summaries of the Wairoa District Council:

- Waste Management Plan, and
- Water and Sanitary Services Assessments 2005 (2)

Introduction-Plan Structure

Plan Structure

The Local Government Act 2002 requires Council to have a Long Term Council Community Plan.

However, instead of undertaking a public consultation process on the Annual Plan every year as Council has done in the past, the LTCCP covers some new ground, and will normally go through a full public consultation process every three years.

This LTCCP supersedes Council's current interim Long Term Council Community Plan adopted on 30 August 2006.

The Introduction includes an overview of the LTCCP, an outline of the Plan Structure and a schedule of items, some of which are subject to a special consultative procedure. Within this section also are a number of "significant issues" which have been identified as being of particular interest to the community because of their impact on service levels, cost, or effect on the social, economic, environmental or cultural wellbeing of the District. Finally, pursuant to schedule 10 (section 11) of the Local Government Act 2002 this section contains an outline of 'significant forecasting assumptions'.

Part One of the Plan places a renewed emphasis on nine community outcomes, which the community wishes to achieve.

The Act recognises a need for all sectors, including central and local government, Maori, and non-government organisations, to work towards collaborating, sharing information and coordinating collective efforts to achieve the community's outcomes over time.

The Local Government Act 2002 recognises the special role local authorities will have in facilitating this result.

Part One also indicates what steps Council will take to ensure improved Maori capacity in decision-making and will also address how achievement towards the Community Outcomes will be monitored and reported.

Part Two of the Plan sets out Council's proposed future levels of service and performance targets and measures for each group of activities and their direct linkage to community outcomes. Detailed information on each group of activities, the rationale for involvement, significant adverse effects of those activities on the social, economic, cultural and environmental well-being of the community, services levels, and costs and funding mechanisms is contained in volume two of this plan.

Part Three of the Plan has the 10-year financial details for all activities combined together with financial statements and forecasts for that same period.

Part Three also includes the Statement of Accounting Policies that provide the basis upon which the financial results and financial position have been measured. It provides information on specific policies relating to the valuation of revenue, costs, assets and liabilities and the useful lives applicable in depreciation of fixed and infrastructure assets.

Part Four of the Plan includes reference to a range of Funding & Financial Policies, the inclusion of which is a mandatory part of this document.

Part Five of the Plan includes reference to a range of current Council Plans and Documents (e.g. the Wairoa District Plan, Coastal Strategy etc.) and briefly relates those to the achievement of Community expectations and outcomes.

Part Five also includes a schedule of fees & charges that will be reviewed annually and published as part of the Annual Plan.

Introduction - Significant Issues

Significant Issues

Within this document there are a number of “significant issues” which have been identified as being of particular interest to the community because of their impact on service levels, cost, or effect on the social, economic, environmental or cultural wellbeing of the District.

This is a brief summary of those issues.

USE OF RESERVE FUNDS TO OFFSET RATES INCREASE

Council has both a legal and moral duty to carry out its functions in a financially prudent manner. With this in mind, to minimise the effects of the global recession on ratepayers, Council has carefully pruned the budget and maximised the use of reserves in the 2009-10 financial year. The outcome of this approach is an overall reduction in rates required of 1.05% for 2009-10. Please note, this year 1 reduction does not translate into a rates decrease for all ratepayers, it is the overall calculation of rates for the whole district (please refer to the table below). In this draft LTCCP it is currently proposed that this reduction be followed by increases of 12.64% in 2010-11 and 9.74% in 2011-12. Council seeks input from residents on whether they would prefer a more balanced budgeting approach with manageable increases in years 1, 2 and 3 of this LTCCP as opposed to a reduction in year 1 and sizeable increases in years 2 and 3.

OPTIONS:

1. Status quo, run with the plan as is (1.05% reduction in 2009-10, increases of 12.64% in 2010-11 and 9.74% in 2011-12)

-OR-

2. Adopt a more balanced budgeting approach over the three years (e.g. equal increases of 7.11% in each of the three years - 2009-10, 2010-11 and 2011-12)

Introduction - Significant Issues

Table of Forecast Rates Increases LTCCP 2009-10 to 2011-12

Property Group	2006 Capital Value	2006 Land Value	Actual 08-09	Budget 09-10	% Increase	Budget 10-11	% Increase	Budget 11-12	% Increase
Wairoa urban residential (low value)	155,000	16,000	\$1,756.20	\$1,836.40	4.57%	\$2,136.59	16.35%	\$2,161.81	1.18%
Wairoa urban residential (high value)	500,000	210,000	\$2,863.70	\$3,073.98	7.34%	\$3,558.90	15.77%	\$3,605.43	1.31%
Wairoa urban flats	106,000	26,000	\$2,971.50	\$3,107.67	4.58%	\$3,589.62	15.51%	\$3,798.58	5.82%
Wairoa urban commercial (low value)	270,000	108,000	\$9,939.20	\$11,125.11	11.93%	\$12,755.35	14.65%	\$13,247.62	3.86%
Wairoa urban commercial (high value)	460,000	30,000	\$5,372.20	\$5,773.02	7.46%	\$6,860.80	18.84%	\$7,284.33	6.17%
Heavy Industrial	440,000	10,400,000	\$16,207.30	\$15,215.41	-6.12%	\$18,799.08	23.55%	\$20,309.48	8.03%
Utilities	4,745,000	0	\$6,572.30	\$6,075.93	-7.55%	\$7,661.45	26.10%	\$8,325.15	8.66%
Mahia residential (low value)	485,000	285,000	\$1,909.80	\$1,461.09	-23.50%	\$1,789.32	22.46%	\$3,076.28	71.92%
Mahia residential (high value)	1,050,000	810,000	\$2,796.50	\$2,395.82	-14.33%	\$2,792.72	16.57%	\$4,117.37	47.43%
Opoutama residential	104,000	31,000	\$1,296.00	\$766.44	-40.86%	\$650.00	-15.19%	\$789.21	21.42%
Tuai residential	84,000	30,000	\$1,310.50	\$1,331.88	1.63%	\$1,424.93	6.99%	\$1,460.70	2.51%
Hill Country Property - Waikaremoana	3,200,000	2,700,000	\$10,217.40	\$10,706.99	4.79%	\$11,512.37	7.52%	\$11,931.96	3.64%
Hill Country Property - Southern	2,570,000	2,180,000	\$7,941.10	\$8,335.57	4.97%	\$8,962.35	7.52%	\$9,294.19	3.70%
Hill Country Property - Morere	8,000,000	7,100,000	\$25,598.70	\$26,892.57	5.05%	\$28,891.21	7.43%	\$29,955.29	3.68%
Forestry Property - Southern	25,000,000	24,000,000	\$92,878.80	\$98,190.67	5.72%	\$104,987.98	6.92%	\$108,832.89	3.66%
Nuhaka residential	92,000	9,000	\$554.30	\$571.08	3.03%	\$619.51	8.48%	\$635.46	2.57%
Raupunga residential	65,000	5,000	\$532.20	\$541.39	1.73%	\$588.02	8.61%	\$602.18	2.41%
Frasertown residential	148,000	5,000	\$563.80	\$580.90	3.03%	\$633.30	9.02%	\$651.38	2.85%

Table Notes: There will be increases in Wairoa urban residential rates of 4% to 7% per annum in 2009/10. There will be changes for commercial and industrial properties from a decrease of 6% to an increase of 13% with farming properties increasing by approximately 5%. Mahia properties that are included in the proposed Mahia Sewerage scheme will experience rate decreases of approximately 14-40% due to the reduced cost incurred in investigations for the proposed scheme. The rural townships of Nuhaka, Raupunga and Frasertown will experience increases of 2% to 6%. Rates for Utilities will range from decreases of 7% to increases of up to 12%.

LOSS IN INCOME

Council has experienced a significant reduction in income from interest and dividends. The financial crisis has resulted in a fall in interest rates, which has severely reduced our income from interest earnings. In addition, our subsidiary company Quality Roading and Services (Wairoa) Limited has experienced very difficult trading conditions that has also impacted on Council income due to lower dividends. The overall effect on Council is a reduction of \$400,000 or an effective 4.50% rates increase.

Introduction - Significant Issues

NEW RATES DIFFERENTIAL

Each rating unit is allocated to a rating category for the purpose of calculating the general rate or any specified targeted rate. A rates differential attempts to provide a more equitable spread of rates across the district. The base rate has a factor of 1.0. Rates are split into differentials to recognise the different classification and uses of land and the varying consumption of Council resources relative to other ratepayers in the community. For example, the differential applied to Mahia is 0.50 (50% of the base rate) to take account of the relatively high property values in this area.

Council has introduced a new differential of 1.25 for the rural townships of Nuhaka, Raupunga and Frasertown to recognise the relatively low property values in these areas and the low level of rates relative to services received for these properties. This new differential will translate into an increase of approximately \$20-\$30 per annum for the average property in these areas.

SIGNIFICANT ISSUES IN SEWERAGE

Mahia wastewater

REFER TO THE FULL SEWERAGE ACTIVITY MANAGEMENT PLAN IN VOLUME 2 OF THIS LTCCP.

This remains the largest capital project on Council's horizon with an estimated cost in the order of \$12 Million. The current proposal is to reticulate the communities of Mahia Beach, Oraka and Opoutama and treat the wastewater at a central treatment facility prior to disposal to land.

Following several rounds of general public consultation and further specific consultation with tangata whenua, Council is currently investigating options for alternative disposal sites.

The Ministry of Health has approved subsidy of approximately \$4.5 million (excl. GST) towards the scheme, with the remainder to be funded by those who would be connected. The capital cost of the scheme will be in the order of \$10,000 - \$15,000 per household (after subsidy is taken into account) depending on what option is finally decided upon, and how long it takes to get required Resource Consents.

In the past 12 months there has been growing opposition to the cost of the scheme and the Council must balance the concerns of those residents/ratepayers with the needs of the wider district and the environment.

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Wastewater cost allocation

Option	Option Description	Approximate Annual Cost (from 2008/09 budgets)		Discussion
		Tuai	Wairoa	
Option 1 – Status quo	Costs are identified and allocated as accurately as possible to a specific supply area	\$600 This cost is based on a net cost of \$39,000 divided by 62 ratepayers. This is what the service would cost if no 'subsidy' was applied from other sources (e.g. the Tuai Fund)	\$240 This cost is based on a net cost of \$540,000 divided by some 2200 ratepayers	Reflects actual cost for each serviced area as accurately as possible. May seem inequitable for Tuai customers to be receiving the same 'service' (i.e. reticulated sewage disposal and treatment), the same service from maintenance contractors yet pay considerably more than Wairoa customers. This is a function of the far greater number of Urban customers to share the cost.
Option 2 – Uniform Charge	Total cost of sewerage activity evenly split amongst <u>ALL</u> customers	\$250	\$250	This option evens out the cost between all customers who receive a reticulated sewage disposal and treatment service. This can still be considered 'user-pays' to the extent that even though the two systems are separate, they provide the customer with the same level of service – ie the ability to dispose of wastewater to a communal system. As can be seen, a small increase for Wairoa customers creates a significant reduction in cost for Tuai customers.

SIGNIFICANT ISSUES IN ROADING

The budgets provided in the Roothing Activity Plan (refer to Roothing Activity Management Plans contained in Volume 2 of this LTCCP) allow for us to provide the levels of service detailed in the plan for most aspects of the roading activity (the status quo). The status quo does not provide for any increase to the sealed network – unsealed roads will all remain unsealed. The following paragraphs outline the most significant considerations for the Roothing Activity.

Increase investment in sealed pavements

Recommended in Asset Management Plan to maintain the integrity of pavements. Condition assessments indicate a trend towards 'rougher' roads which reinforces the need to increase investment in this area. If investment is not increased the network will deteriorate over time and possibly create a backlog of work to be dealt with in the future.

Introduction - Significant Issues

Recommendation – increase investment in pavement rehabilitation by \$500,000 per year (\$170,000 local share)

IMPORTANT NOTE: The proposed budgets contained in this draft LTCCP do not allow for this recommendation to be implemented. If the recommendation is implemented there will be an increase in funding required (rates or other means of funding). A \$170,000 increase in expenditure equates to approximately 2% increase in rates.

It should be noted that if the recommended increase in investment does not go ahead then the result over time will be a reducing level of service from the sealed network – on average the network will become rougher over a period of years, providing a poorer ride quality.

Increase expenditure for Safety projects

NZTA rules allow for a sum equivalent to 8% of the maintenance budget to be allocated for “Minor Improvements” – these are safety related projects and attract a subsidy rate 76%, compared to our normal maintenance rate of 66%. Council’s current Minor Improvements budgets are less than 6% of the maintenance budget, so there is potential to receive higher subsidy to undertake further work. This would require an increase of around \$45,000 in local (rates) funding.

IMPORTANT NOTE: The proposed budgets contained in this draft LTCCP do not allow for this recommendation to be implemented. If the recommendation is implemented there will be an increase in funding required (rates or other means of funding). A \$45,000 increase in expenditure equates to approximately 0.6% increase in rates.

Roading – Seal Extensions

Council maintains a roading network of approximately 840km, 560km of which is unsealed. It costs approximately \$200,000 - \$250,000 to prepare and seal a kilometre of unsealed road so to seal the entire network would cost in excess of \$150 Million. In 2008 a study was undertaken to develop a priority list of unsealed roads based on considerations such as traffic volumes, whether the road is a key alternative route (e.g. Awamate Road), whether the section of road is between existing sealed section, does the site have a history of traction problems for trucks, what level of maintenance expenditure does the road attract – and a number of other considerations.

This study identified approximately 260km of the unsealed network that would ideally be sealed over time at an estimated cost of \$65 Million. This 260km was further prioritised with 29km considered to be the highest priority – at an estimated cost of \$7.5 Million. A 10 year programme would equate to \$750,000 per year and an average of 3km being sealed each year. Note that if NZTA funding is approved only \$255,000 per year would be required from ratepayers, however recent indications are that NZTA are reluctant to fund seal extension at the present time with priorities shifting to other activities. The proposed programme could be accelerated through loan funding which could see us get the benefits now and spread the cost over (say) 30 years. This could have an added benefit of maintaining work and cashflow in the local economy.

IMPORTANT NOTE: The proposed budgets contained in this draft LTCCP do not allow for this recommendation to be implemented. If the recommendation is implemented there will be an increase in funding required (rates or other means of funding). A \$255,000 increase in expenditure equates to approximately 3.2% increase in rates.

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Roading – ‘Shrink’ Unsealed Network

Many rural roads serve only one or two properties and the far reaches of some roads are effectively little more than driveways or farm access tracks with no public access beyond the end of the road (exceptions are those roads that provide access to National park or other public land). In 2008 a study was undertaken to determine what cost savings could be available if some of the more remote sections of road ceased to be maintained by Council. Two scenarios were considered and potential savings were determined based on actual maintenance cost over the past 5 years.

IMPORTANT NOTE: The proposed budgets contained in this draft LTCCP do not allow for either of the scenarios below to be implemented. If either scenario is implemented the potential savings could reduce the rates requirement or the funding could be reallocated to more needy sections of the network.

Scenario 1 – Maintain to last house

The rationale for this scenario is that Council agrees that maintenance to residences is an ongoing obligation but that beyond the residence the road is often functioning more as a farm road than a public road.

Length of Road	28km
Cost per km	\$1,300/km/year (average)
Potential Savings	\$40,000/year (approximate)
Local Share	\$13,600 (equivalent to approximately 0.2% of rates)

Scenario 2 – Maintain to second to last house

The rationale for this scenario is that after the second to last house the remainder of the road is often functioning more as a private driveway and farm road than a public road.

Length of Road	89km
Cost per km	\$2,300/km/year (average)
Potential Savings	\$180,000/year (approximate)
Local Share	\$61,000 (equivalent to approximately 0.76% of rates)

‘Gateway to Mahia’ roading project

In August this year, a section of Ormond Drive near Opoutama will be removed, as it lies over part of the Ruawharawhara urupa (cemetery). Public consultation as to where the main route onto Mahia Peninsula will run is well underway, having had a submission process and hearing. At present cultural and archaeological audits are being carried out, following which council will make a decision on how to proceed. Current budgets make provision of \$500,000 towards this project and it is expected that a significant proportion of the cost will be covered by central government (up to 76% could be funded by Central government with the remainder being funded by Council).

SIGNIFICANT ISSUES IN WASTE MANAGEMENT

REFER TO THE FULL WASTE MANAGEMENT ACTIVITY MANAGEMENT PLAN IN VOLUME 2 OF THIS LTCCP.

The budgets provided in the Waste Management Activity Plan allow for us to provide the Status Quo. We can expect the landfill to continue to operate as it does now, the refuse collection to continue to be user-pays, and rural services for recycling to remain as they are. There are many aspects to the

Introduction - Significant Issues

waste management activity and the following sections present the most significant options for increased or decreased service levels, and associated costs. The areas where options are presented are those that have been highlighted to Council as the main concerns through informal and formal consultation processes.

Level of Service Component – Long Term Disposal Options

Option	Option Description	Per Ratepayer (assumes Uniform Charge on 5400 Ratepayers)	Discussion (Risks & Opportunities)
Option 1 - Close Landfill	Landfilling operation ceases. All residual waste is transported out of district. Recycling centre still in operation.	120.00	Cheaper than status quo. Subject to cost fluctuations in fuel for example. Relies on 'permission' of other landfill operator. For example doubling the distance of cartage would increase the cost to around \$800,000 or \$150 per ratepayer.
Option 2 - Status quo	Will require a new cell every 5 – 6 years. Current gate charges not covering all costs. Waste Management Specialist report indicates gate charge would need to increase to \$245 per tonne.	160.00	In control of our own destiny for the foreseeable future - landfill site capacity in excess of 100 years at current volumes. Costs per tonne will always be higher than elsewhere because of our small volumes of refuse. Note that under the current user-pays refuse collection system this cost would not be seen on rates but it would increase the cost of a bag of rubbish by about 80 cents.
Option 3 – Enhanced Landfill & Recovery Centre	Develop advanced municipal waste management facility - includes acceptance out of district waste (for example Gisborne)	60.00	No guarantee Gisborne want to do this. Higher volumes reduce the cost considerably. More trucks coming to town.

Level of Service Component – Landfill hours of operations

Option	Option Description	Annual Cost Estimate Total	Per Ratepayer (assumes Uniform Charge on 5400 Ratepayers)	Discussion (Risks & Opportunities)
Option 1 - Status Quo	Landfill and recycling centre open 11am - 5pm every day except some public holidays	320000	60	Missing early risers and late finishers. Survey results suggest earlier start desirable and many people have said they'd like to be able to go after work.
Option 2 - Increased weekend	Increase weekend hours to	360000	70	Allows 8am - 6pm on weekends for landfill and

Introduction - Significant Issues

hours	cater for 'early risers'			recycling centre. Greater utilisation of services. More convenient services. Focuses primarily on urban residents doing weekend 'clean-ups'
Option 3 - Increase hours throughout the week	Increase daily hours to cater for 'early risers', rural residents bringing refuse to town, commercial operators	460000	90	Allows 8am - 6pm every day for landfill and recycling centre. Greater utilisation of services. More convenient services. Focuses on rural residents dropping waste of before work, urban residents able to visit landfill after work and commercial operators able to 'get going' earlier in the day.

Level of Service Component – Accepting Waste at the Landfill**Level of Service – The Council will actively promote and educate the public about Waste Minimisation**

Option	Option Description	Annual Cost Estimate Total	Per Ratepayer (assumes Uniform Charge on 5400 Ratepayers)	Discussion (Risks & Opportunities)
Option 1 - No Waste Education	Discontinue education programme in schools and general education initiatives for general public	\$0 direct cost.	0.00	\$0 direct cost - potentially substantial future cost as the next generation not equipped to make responsible choices. Contrary to Council's strategies for waste reduction. Contrary to National Standards and guidelines
Option 2 - status quo	Education programmed focused on schools with some initiatives moving into marae, businesses, general public	30000	5.60	Innovative programmes in schools - zero waste education and 'paper for trees'. Education coming into marae and businesses. Leveraging nation-wide initiatives. Events such as E-Day coming to Wairoa. Agrecovery programme in place
Option 3 - More expenditure	Increase spending on education to target a broader cross-section of the community	50000	9.30	Spending more will enable more initiatives such as recycling at district events, education programmes as part of sporting events etc.

Introduction - Significant Issues

Level of Service – The Council will provide an adequate number of litterbins in streets and public places

Option	Option Description	Annual Cost Estimate Total	Per Ratepayer (assumes Uniform Charge on 5400 Ratepayers)	Discussion (Risks & Opportunities)
Option 1 - Status Quo	Litter bins in place as per Council policy - CBD, rural reserves where picnic tables and toilets are located. Rural shops and urban shops outside CBD not serviced.	90000.00	17	Current situation prevails - business as usual - risk around litter at 'hot-spots' - e.g. Mahia at Christmas time. Not driving personal or producer responsibility for waste that is generated.
Option 2 - More litter bins	Extend policy areas to include more bins in rural areas, mainly Mahia. Service bins outside all shops and takeaways	130000	24	Risk - more litter on streets to be picked up. Opportunity to reduce costs and encourage less litter being generated - encourage supplier responsibility, encourage personal responsibility.
Option 3 - Less litter bins	Reduce number of bins, for example perhaps removing every second bin in CBD main street? Or remove bins from most rural areas to encourage consumer responsibility	50000	9	No encouragement for personal or producer responsibility. In some ways this is 'going backwards' from the direction of the past few years which was tending towards encouraging individual and business responsibility - encouraging people to view waste as their own problem - NOT the Council's problem. Servicing bins at all shops, takeaways etc would reduce litter problems but is the 'ambulance at the bottom of the cliff'

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Level of Service – The Council will provide a domestic refuse collection service

Option	Option Description	Annual Cost Estimate Total	Per Ratepayer	Discussion (Risks & Opportunities)
Status Quo	Fully user pays refuse collection. Customers have the option of using the Council Contractor's collection service, using a different supplier or taking their refuse own to the landfill.	no impact on rates	Urban \$120 (\$2.25/bag) Rural \$200 (\$3.90/bag) Based on 1 bag per week	<p>Impact on rates is \$0. Cost to individuals for using the service are as shown. Cost to travel to the landfill yourself and dump is approximately \$100/year when you take account of vehicle costs and dumping fees although for rural users this would be higher if a special trip was needed.</p> <p>There is a community risk that non-users utilise inappropriate refuse disposal methods (for example dumping over the riverbank).</p> <p>There are real community costs of vehicle use if it is more convenient for people not to use collection. Increased vehicle use by individuals creates more CO2 emissions.</p> <p>Poor utilisation of collection service affects economics with hidden costs passed onto general waste management costs.</p> <p>On the plus side the service is there and available for all.</p>
Partially subsidised system	Bag rate set at \$1.00 (for example) Remainder of costs funded via a uniform charge on rates	\$250,000 taken from rates plus \$1.00 per bag	\$50 on rates. \$52 to purchase 1 bag per week. Total of \$102 per year.	Encourages people to use collection service resulting in less CO2 emissions, more efficient use of resources (collective approach), retains an element of user pays to encourage continued recycling. May make recycling collection service more sustainable also.
Fully subsidised	Full collection service funded through rates.	\$370,000 - \$500,000	\$70 - \$100 (see note 2)	Dis-incentivises recycling but minimises inappropriate disposal. Contrary to New Zealand Waste Strategy.

Introduction - Significant Issues

PIPING OPEN DRAINS

When an Open drain is piped one of the results is a much better looking streetscape as drains are often overgrown with weeds and can become litter traps. It makes the roadside more usable as the finish is a grass 'swale' that can be easily mowed and gives somewhere for people to walk off the carriageway. Council currently pipes drains to the value of around \$110,000 per year. This equates to approximately 300m of open drain each year. The proposed budgets in this draft LTCCP allow for Council to continue piping open drains at this rate, The proposals outlined below are not provided for in this draft LTCCP. There are over 22km of open drains in the Wairoa township and our assessment of cost to pipe them is a little under \$12 Million so at the current rate of piping it would take 100 years to complete the programme. As well as the 'standard' roadside drain that gets replaced with a 300mm (12 inch) diameter pipe, there are a number of larger drains, most notably the Kitchener St drain, which would require pipes up to 1800mm (6ft) diameter.

One option would be to accelerate the programme by taking out a loan to be repaid over (say) 30 years. Funding the whole programme would result in repayments in excess of \$1.3 Million per year, which would equate to an annual rate of more than \$600 per property. Drain sections have been grouped in terms of a range of criteria such as depth, width, adjacent housing density and prioritised (please refer to the Stormwater Activity Plan in Volume 2 for more detail). While funding the whole programme may not be feasible or desirable, as can be seen we could undertake a smaller programme that takes care of the highest priority sites with reduced impact on rates. Another option with respect to piping of open drains would be to suspend the programme for a number of years. With the world economy in turmoil some people might feel it prudent to not spend that money at this time.

Priority Group	Dollar Value	Annual Rate ¹
A	\$1,400,000	\$80
A,B	\$3,200,000	\$180
A,B,C	\$4,700,000	\$270
A,B,C,D	\$7,800,000	\$440
A,B,C,D,E	\$11,700,000	\$660

NEW FOOTPATHS

Council policy is to have at least one footpath on every residential street. Council currently constructs new footpaths to the value of around \$110,000 per year. This equates to approximately 1000m of new footpath each year. The proposed budgets in this draft LTCCP allow for Council to continue constructing new footpaths at this rate, The proposals outlined below are not provided for in this draft LTCCP. There are around 30km of new footpaths

¹ 30 year loan, interest at 8%, 2000 households.

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required to meet Council's policy. This is made up of around 10km in Wairoa township with a further 20km in rural townships (7km in Mahia Beach). The cost to construct all these footpaths is estimated at around \$3,300,000, which at the current rate of funding would take 30 years to complete. One option would be to accelerate the programme by taking out a loan to be repaid over (say) 30 years. Funding the whole programme would result in repayments of around \$350,000 per year, which would equate to an annual rate of approximately \$120 per property for serviced areas (this would drop to \$75 if all ratepayers contributed).

As with open drains, the sections of road requiring a new footpath have been grouped into priority 'bands' (refer to Roading Activity Management Plans begin at page 160 of volume 2) so options exist to undertake a smaller programme at lesser cost.

Priority Group	Dollar Value	Length of Footpath	Typical Examples
A	0	n/a	All priority 'A' footpaths are built. They are kept in the database for future reference
B	\$ 160,000	1.3 km	McLean St between Colin St and Lion St. Relatively high vehicle traffic, playground and dairy on route, provides a link between existing footpath networks.
C	\$2,480,000	21.4 km	Apatu St. Residential road with medium housing density where a footpath could provide links to other footpaths leading to shops, schools, parks etc.
D	\$ 720,000	6.3 km	Browne St. Lower density housing, partly in paddocks, not included in walking and cycling strategy.
E	0	n/a	Priority 'E' & 'F' footpaths are generally ones where a footpath already exists on the other side of the road. They have been assessed as part of the exercise but are not included in costings as construction is outside current policy. The information is kept for future reference should Council revisit policy.
F	0	n/a	
TOTALS	\$3,360,000	29 km	

While funding the whole programme would result in an annual rate of around than \$120 per property, clearly we could undertake a smaller programme that takes care of a lesser number of sites with reduced impact on rates. For instance if rural townships were not to be included the Wairoa township component of the programme could be funded over 30 years at an annual cost per property of around \$70 (30 year loan, interest at 8%, 2000 households in Wairoa). Another option with respect to constructing new footpaths would be to suspend the programme for a number of years. As with open drains another option is to cease construction of new footpaths.