

# TAPANUI

Tapanui township was founded as a sawmilling town in the mid 1860s and is situated on rolling land between the western slopes of the Blue Mountains and the Pomahaka River, a major tributary of the Clutha River. It is located 70km from Balclutha and 35km from Gore.

Tapanui's main role is servicing the productive farming and forestry activities of the area. The major industries around Tapanui are sheep and beef farming, dairying, floriculture, forestry and wood processing. Timber production remains an important aspect for the existence of the town. Sheep and dairy farming continue as the predominant agricultural activities in the local surrounds, contributing to the make-up and character of the town.

In this Long Term Plan, there are important, compulsory projects planned for two of Tapanui's most important infrastructure services - water and sewerage. Another significant proposal that could affect Tapanui's rates is the introduction of organic waste collection budgeted for in 2012/13.

## How is Tapanui predicted to change?

Tapanui has seen population decline in recent years, along with mixed fortunes for the major local employers in the bulb and wood industries. No expansion of the township is anticipated and indications are that the current trend of population decline will continue.

Positive signs for the town include the opening of a Combined Rural Traders retail store in May 2007. This is a significant investment based on the expanding dairying industry, as is the opening of a new Kidzway Early Learning centre which opened early 2008, and the recent enhancement of the Tapanui main street.

With the dairying conversions the population demographics have changed considerably. Dairying affects up to 20% of the population make up. While dairying is bringing more people to the district, these people tend to work long hours and can be quite disconnected from the local community.

A proposed new development in Tapanui has the potential to stabilise aged care and general medical services in the West Otago area.

The Tapanui Total Usually Resident population in 2006 was 744 people. This is a decrease of 102 people, or 12.1% since to 2001 Census.

**Population Assumption:** 2011 700; 2016 670; 2021 650

## What's planned for Tapanui during the next 10 years

### Water treatment upgrades

Clean and safe drinking water is one of the most important things a Council can provide, and is something that the community can not do without. As well as community expectation for clean and safe water, legislation now requires all water supplies to "take all practicable steps" to comply with the New Zealand Drinking Water Standards 2005.

In 2008, Council secured almost \$2 million worth of government assistance for upgrading water supply treatments in Balclutha, Kaitangata, Lawrence and Tapanui. This funding comes from the Ministry of Health's Drinking Water Assistance Programme, set up to provide technical and financial assistance to water supplies towards the standards.

Tapanui received \$599,964 (80% of the total estimated project cost of \$750,000).

### What will the impact on ratepayers be?

This will contribute to a \$50 increase in the Tapanui water unit rate from 2009/10 to internally loan fund the local share of the upgrade work and cover additional operating costs

## Water fluoridation

The Tapanui community indicated by a non-binding referendum in 2007 that they supported the introduction of fluoride into the township water supply. Following further public consultation in 2008, Council has applied for 100% subsidy funding from the Ministry of Health for the capital costs of fluoridation, estimated at \$43,600 +GST. However the additional operating costs (chemical plus labour) are not eligible for subsidy. This aspect would add an estimated \$17 per annum to Tapanui's water unit rate.

## Sewerage treatment upgrade

The current discharge consent expired in 2005. Council applied for a renewal prior to this, but the new application is still being processed by the Otago Regional Council. At the moment sewage is treated via an oxidation pond before entering the Pomahaka River. A significant upgrade will be needed in order to meet new resource consent conditions. Options for improving treatment are being developed. Nearly \$370,000 has been budgeted for this during 2010/11 and 2011/12.

### What will the impact on ratepayers be?

An increase in the sewerage rate of \$36 per property is expected to begin from 2012/13.

## Modernising and improving heating in Council housing units

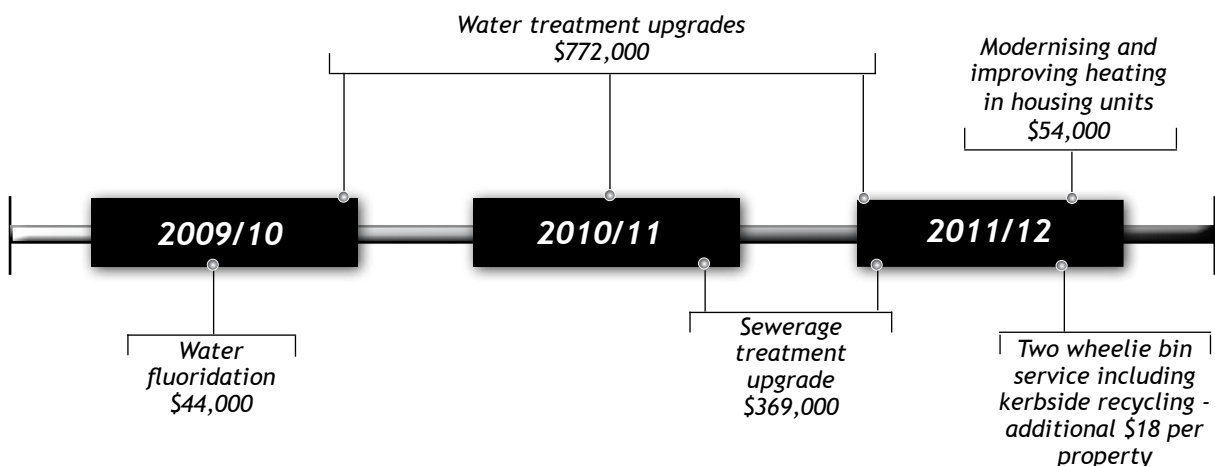
Council's Community Housing Units have been difficult to heat over the past few winters, and tenants have continued to report an inability to maintain comfortable living conditions. As such, Council undertook a Heating and Modernisation Assessment in 2007, which identified major maintenance issues and estimated the cost of the work required to be in the region of \$3.5 million. This work was split into three categories in order of priority and in 2008, Council agreed to the first stage of the works costing \$593,000 district-wide. This includes the installation of heat pumps in all units, insulation, as well as exterior painting, new electric ranges and re-roofing on a priority basis. This work is already underway.

Stages Two and Three of the work includes less urgent exterior painting, roof work and oven replacements; new hot water cylinders; non-urgent decorating and bathroom upgrades. This work will only be carried out if government funding can be secured through Housing New Zealand.

It is important to note that Council operates Community Housing Units as a self-funding activity and as such attracts no general rates assistance. The first stage of the upgrade work underway is being funded by reserves and loan funded from increased rental income.

The 10 housing units in Tapanui are included in the district-wide heating and modernisation improvements.

## Proposed projects of note in Tapanui



## Waste minimisation

Please refer to the Key Issues section of the Long Term Plan for more information.

## Proposed new medical facilities for West Otago

In 2008 West Otago Health Ltd announced an agreement with the Otago District Health Board for providing aged care facilities in West Otago. This would involve redeveloping the former Tapanui Hospital to:

- 1 Redeploy existing general practitioner, rural medical centre, community nursing and medical professional base services. (The present medical facilities are inadequate in size for visiting, and present staff, and will also not meet the criteria for Cornerstone Accreditation).
- 2 Incorporate existing Presbyterian Support cottages already at the Tapanui Hospital site.
- 3 Make new services available, including a rest home/ residential care, respite care and residential care for palliative or chronically ill patients.
- 4 Provide training facilities for emerging Rural Doctors for the University of Otago.

The estimated cost for the project is in the order of \$5-6 million. West Otago Health has approached Council about helping to fund the proposed facility.

There is still information needed and questions to be answered about the proposed facility before Council will be in a position to properly consult with the people and ratepayers of West Otago - about whether or not to be involved, and to what extent. Details are needed about the ongoing sustainability of the facility e.g. how many clients are expected to use and pay for the ongoing operation and maintenance of the facility; does West Otago have the population and demographics to fill the beds proposed for the facility?; will income meet costs with enough left over to repay any loans and provide for



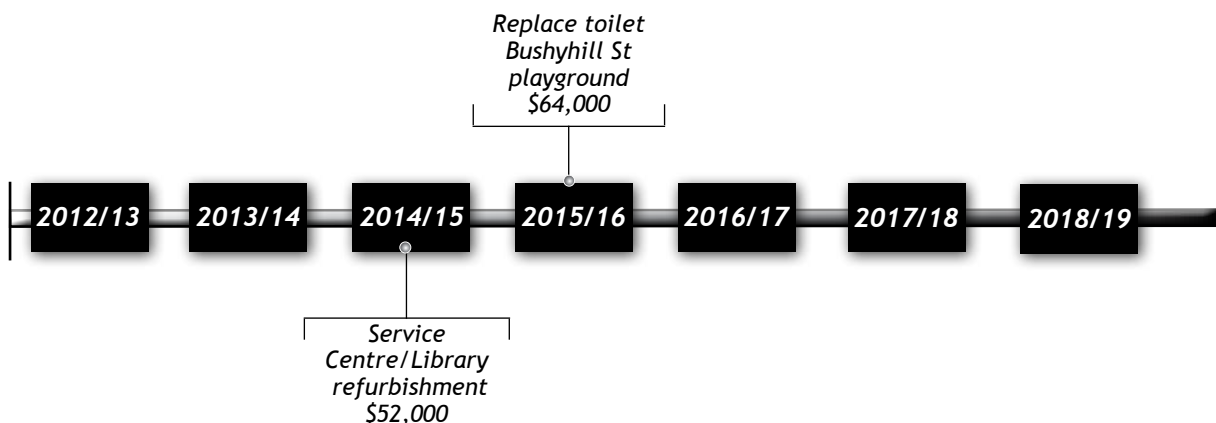
### Councillor Comment - Peter McPherson West Otago Ward

*“Major costs caused by having to upgrade the Tapanui water plant to provide water to the new drinking water standards (we were fortunate to receive a large subsidy from the Government) and treatment of the sewage to the standards required by the Regional Council will push Tapanui rates up considerably.*

*Also the new valuations made when the market was at its peak will cause some large swings in the amount of rates paid particularly on rural properties.*

*West Otago is faced with a new decision as to whether a new medical centre and rest home should have rate funding assistance. There is no doubt that this facility is needed to enhance healthcare in the district but the issue will be whether we can fund it. Consultation will take place when the feasibility study is complete.”*

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future maintenance and refurbishment of the facility?

To help West Otago Health answer these questions Council approved a loan of up to \$60,000 in 2008/09 for a feasibility report for the proposed facility. The loan will be repaid from Tapanui commonage land income, and there will be no rates impact. (Council loaned West Otago Health \$250,000 in 2003 to help purchase, set up and take ownership of the present medical centre, formerly owned by the late Dr Peter Snow. This loan was repaid in 2007. Significant loans to other organisations have also been repaid.)

The results of the feasibility study are expected soon.

#### **Should the Council/West Otago ratepayers be involved in funding health facilities?**

The proposed facility directly relates to what the community pointed out was important during District Directions community outcomes consultation. It would primarily contribute to: Working towards a safer and healthier community: Developing an integrated health care service that delivers the right treatment, by the right person, at the right time (Outcome 1a).

Traditionally primary health care has been funded by central government. When funding hasn't been available at local levels, in the past communities have fundraised to develop these services. Funding infrastructure for primary health care is well outside the traditional core services of a local authority. But the ability to do so now comes from the power of general competence created by the Local Government Act 2002. Put very simply, councils can decide to become involved with something new as long as it is something the community needs, wants, and can afford. The importance of the facility has been highlighted and is driven by community leaders in West Otago. What Council would need to make a decision about, after extensive consultation with ratepayers, is what role the Council and West Otago ratepayers will play in the development of the facility - with funder being at one end of the spectrum, and advocate/supporter at the other.

#### **What would the impact on ratepayers be?**

Finalised financial information is part of the feasibility study. The scenario discussed at Council and West Otago Community Board level so far has been based on an amount of \$1 million being funded by West Otago ratepayers.

There are several options and combinations - below are some early examples to help illustrate how different ways of rating would affect people differently.

#### *Option 1: Based on all households in the West Otago paying an equal amount*

Annual levy per household: \$103.61 (GST incl)

#### *Option 2: Based on the capital value of properties in the West Otago ward*

Tapanui township: Would range between 71 cents for an \$11,000 capital value property, and \$45.10 for a \$700,000 capital value property.

Rural properties in the West Otago ward: Would range between \$5.28 for a \$82,000 capital value property, and \$556.98 for a \$8.8 million capital value property.

Assumptions to be able to put together these examples:

- An external loan with a 25 year repayment period and interest rate of 6.0%
- West Otago is the funding catchment area
- Figures are based on 2008/09 values and the 2008 valuations
- Term loan facility and legal costs will be separate costs and paid by West Otago Health Ltd
- That the number of rateable properties (1,324) and households (844) in West Otago will not decrease during the next 25 years.

***At this stage no budget has been included in the 2009/19 Long Term Council Community Plan for a Council contribution to the proposed facility. More information is needed. A final decision about whether or not Council helps fund the facility will depend on further information from the feasibility study and consultation with ratepayers in West Otago. Ongoing sustainability of the facility and ratepayers' willingness and ability to pay will be key factors.***

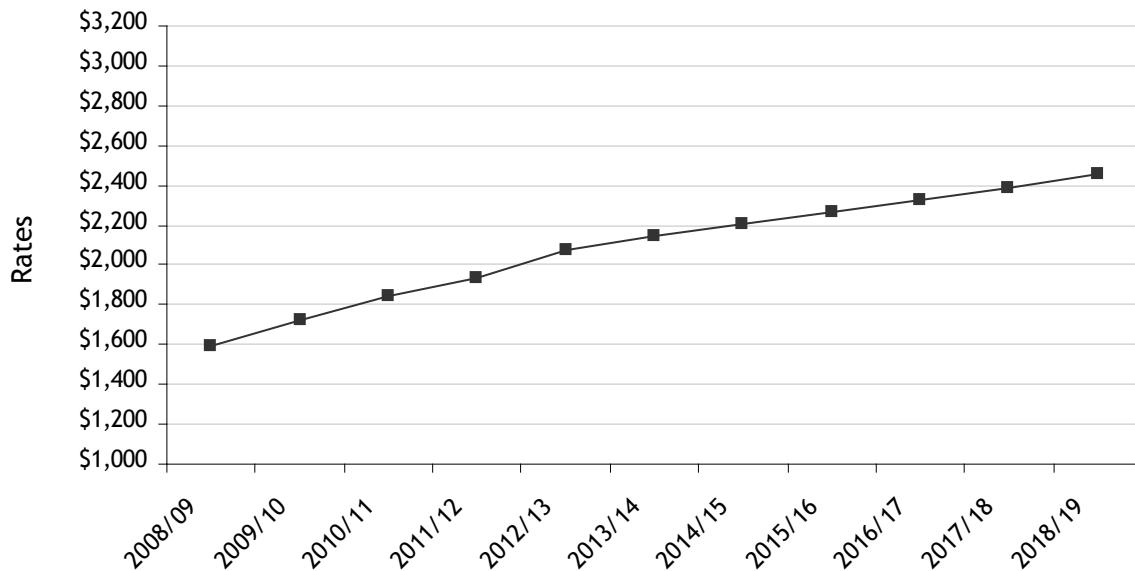
# How are rates expected to change?

## Medium Value Property

Rating Area: Tapanui		Actual	Projected				
LV = \$17,000	CV=\$110,000	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Uniform Annual General Charge		350.00	422.60	442.50	452.60	466.90	473.70
District Rooding		55.60	51.80	55.40	62.70	64.70	66.20
Local Rooding		113.10	122.50	131.10	148.40	153.20	156.80
Footpath Rate		14.60	9.90	10.20	10.40	10.70	10.90
Water		405.00	461.10	502.80	532.80	564.20	581.60
Wastewater		137.30	155.30	172.70	182.40	230.40	237.70
Stormwater		146.30	146.30	150.60	154.90	159.00	164.20
Wastewater Upgrade Support		0.10	-	-	0.60	1.00	1.10
Community Services		79.40	84.40	87.20	89.20	91.40	93.30
Solid Waste Collection		156.90	168.50	174.00	176.00	205.60	236.00
Waste Minimisation		8.60	15.10	22.10	8.00	8.10	8.30
Recycling Collection			-	-	20.60	21.10	21.60
Planning & Regulatory		8.60	5.30	5.90	5.70	6.10	6.00
West Otago Community Board		99.00	83.00	85.70	87.70	89.80	91.70
West Otago Community Centre		22.50	-	-	-	-	-
<b>TOTAL</b>		<b>1,597.00</b>	<b>1,725.80</b>	<b>1,840.20</b>	<b>1,932.00</b>	<b>2,072.20</b>	<b>2,149.10</b>
<b>% Change</b>			<b>8.1%</b>	<b>6.6%</b>	<b>5.0%</b>	<b>7.3%</b>	<b>3.7%</b>

Projected rates changes are inflation-adjusted by approximately 3% per annum.

## Projected Rates Change 2009-19



This example uses a medium valued property in Tapanui as per the above table.

## Some basic statistics about the Tapanui rating area

Current population (2006)	744
Projected population (2016)	670
Number of Rate Assessments (2008/09)	471
Land Value	\$5.56 million
Capital Value	\$40.96 million
Rates income (2008/09)	Approx. \$750,000 including GST
Water supply	Full rate connections: 449 Half rated (unconnected) properties: 54 Length of reticulation: 13,477m
Sewerage scheme	Full rate connections: 413 Half rated (unconnected) properties: 43 Length of reticulation: 13,141m
Stormwater reticulation	Full rate connections: 377 Half rated (unconnected) properties: 43 Length of piped reticulation: 4,768m Length of open drain reticulation: 932m
Roads	Sealed: 10.7km Unsealed: 1.3km
Footpaths	8.9km
Playgrounds, parks, reserves and sportsgrounds	Bushyhill St playground Reserves at Devon St, Forest St, Maple St and Sherwood Place
Public toilets	Suffolk Street (on SH90) Bushyhill St Park Recreation Reserve, Recreation Ground Rd
Cemeteries	Tapanui Cemetery, Cemetery Rd
Library	Combined facility on Suffolk St.
Service Centre	
Information Centre	
Pool	Community owned and managed pool (West Otago Swimming Pool) receives \$6,000 annual grant from CDC.
Hall/Community Centre	Community owned and managed facility (West Otago Community Centre) receives \$11,045 annual grant from CDC.
Council Community Housing	10 units