

WHAT'S THE STORY FOR GREY?

We want to
be a Thriving,
Connected and
Resilient Grey
District.

Our 10
year plan.

2021-2031 Long Term Plan Consultation Document

What's inside?

- The big issues
- Challenges we face
- Where we want to be
- Proposed rates rises over ten years
- How to have your say

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Welcome

It's great to have you here!

This document is one of Council's planning tools which sets out what we plan to do over the next decade and how we intend to pay for it. It includes detailed information on the activities, services and projects we intend on delivering and when. The plan we have put in place sets us up to be a **Thriving, Connected and Resilient Grey District**.

Our vision

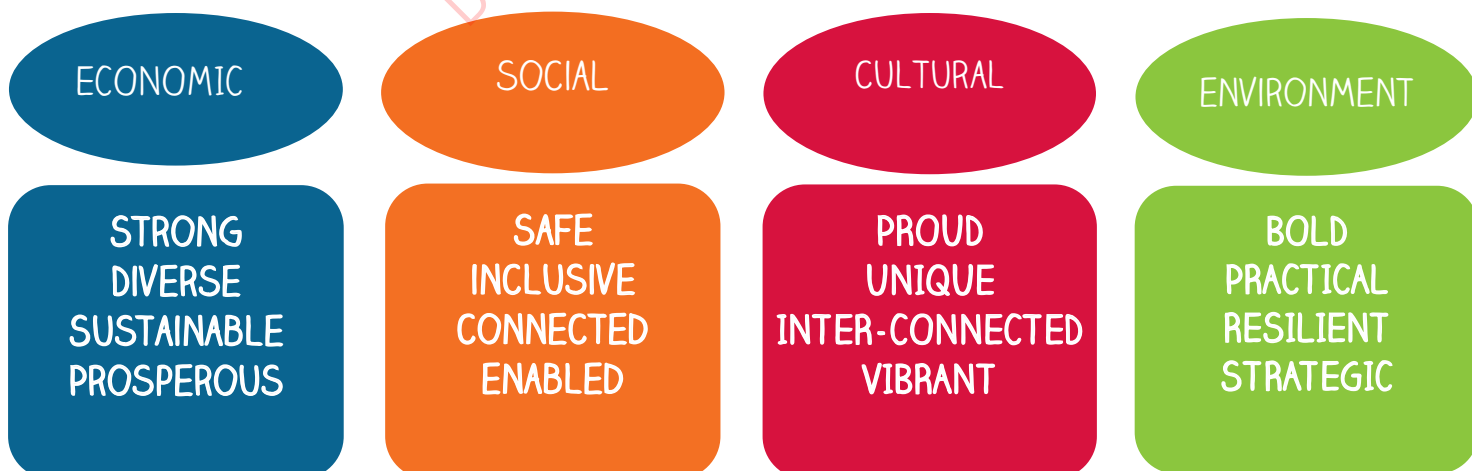
Council went out to the community throughout February and March 2020 to find out what made the **Ideal Grey District**. The compiled feedback showed that the community want a **Thriving, Connected and Resilient Grey District**.

What is a Thriving, Connected and Resilient Grey District?

- The Grey District will have a strong, diverse, sustainable, and prosperous economy.
- The Grey District will have a safe, inclusive, connected, and enabled community.
- The Grey District will have a proud, unique, inter-connected and vibrant culture.
- The Grey District will be bold, practical, resilient, and strategic in terms of looking after our environment.

What does this mean for the Grey District? It means that what our community has told us, underpins the activities, actions, and decisions that Council undertakes.

Thriving, Connected and Resilient Grey District



From the Mayor and Chief Executive

We're pleased to present this Consultation Document which highlights the most important issues and proposals from Council's Draft Long Term Plan 2021-2031.

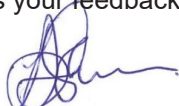
Grey is a great place! We live in a fantastic part of the world with great people, strong communities, vibrant townships, stunning scenery, and an economy we want to continue to thrive. The Council plays an important part in this, but we cannot do it alone.

Every three years we review our Long-Term Plan and set the directions for the next 10 years. We, as a Council, see the need to change how we do things. In the past, we have traded infrastructure renewals for low rate rises. This has now created a significant backlog of work that needs to be addressed. We cannot continue this trade off and must face up to the reality that we must raise rates higher than has been the norm to start to pay for the under investment in our assets.

Contained in this document we highlight the big issues facing Council going forward, how we would like to solve those issues and most importantly how does this affect you. Some of these decisions will be difficult but we are focused on making Grey a better place. We seek your input. Have we got the issues right?

Providing business as usual comes at a cost that is not cheap to run. 648km of roads and 522km of water, sewer and stormwater pipes, a library, a recreation centre, hectares of park land and reserves, landfill and public toilets, along with the people and tools needed to manage them. Add to this is the "catch-up" work required on our infrastructure assets. You will be able to see the financial impact on your rates later in the document.

We encourage you to read the document, come and see us at our information drop in sessions and most importantly, give us your feedback.



Tania Gibson
Grey District Mayor



Paul Morris
Chief Executive



How does it all work?

April/May

Submissions open

Consult with the
community on key issues.

15 April - 17 May

June

Council hear submissions
from community.
2 June

Council considers and
makes decisions on
submissions.
3 June

June

Council meets to
confirm 10 year
plan.

30 June

July

The Long Term Plan will start from 1 July 2021

Purpose of this document

WHAT IS A LONG TERM PLAN?

All Councils must produce a Long Term Plan (LTP) every three years which lays out their expected levels of service and how these will be paid for and planned out over the next ten years.

The Grey District Council's Long Term Plan 2021-2031 outlines our goals for delivering the various activities we are involved in and how we see the activities of Council contributing to the overall wellbeing of the District. The LTP covers a ten year period from 01 July 2021 to 30 June 2031.

WHY DO WE HAVE A CONSULTATION DOCUMENT?

The aim of a consultation document is to provide our community with details of the important issues the Grey District Council faces during the next ten years, options for addressing those issues and how those options might affect the financial position of both Council and our community.

WHERE TO GET MORE INFORMATION

Want to know more? You can get copies of the following from our website, www.greydc.govt.nz/ltp:

- Draft Long Term Plan 2021-2031
- Infrastructure Strategy
- Financial Strategy
- Activity Management Plans



How to have your say



There are several ways to make your thoughts known:

- Use the easy online submission form at www.greydc.govt.nz/ltp
- Complete the submission form at the back of this document
- Email us on submission@greydc.govt.nz
- Talk with Councillors and staff at one of our drop in sessions to get more information, then make a submission using one of the methods above

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

DROP IN SESSIONS

Over the submission period (15 April - 17 May 2021) Council will be coming to a location near you to host drop in sessions. Councillors and staff will be available to answer your questions about the key issues we are facing. Submission forms will be available for you to use or if you do not wish to make a formal submission, you will have the opportunity to provide feedback on our vision boards.

Date	Time	Venue
Thursday 15 April 2021	5 - 7pm	Runanga School Hall
Monday 19 April 2021	5 - 7pm	Nelson Creek Hall
Wednesday 21 April 2021	5 - 7pm	Cobden School Hall
Thursday 22 April 2021	12 - 2 pm	Council Chambers
Tuesday 27 April 2021	6 - 7.30pm	Dobson Hall
Thursday 29 April 2021	5 - 7pm	Barrytown Settlers Hall
Wednesday 5 May 2021	5 - 7pm	Ahaura Community Hall
Thursday 13 May 2021	5 - 7pm	Camerons Hall

Our current position

Our community agrees with us that the Grey District is a great place to live. Comments from the most recent Resident Satisfaction Survey include:

“You can always find somewhere to walk, sit or drive, cycle etc without lots of people around. It’s quiet, clean, people care about each other and take the time to stop and catch up. It’s a safe place to bring up kids and educate them about the environment, how to stay safe in the bush, mountains etc. It’s a good place to relax. Nature grabs you without you realising it has done so.”

“I have lived here for four years now and I love my job, my co-workers, and the wider community members that I have met. People are very helpful and there have been great opportunities for my husband and me here.”

“It’s the friendly people, cheap living, it’s not too big and has fresh air. It’s quiet and theres opportunities for people if they want it. A great place to bring up kids.”

But there are some challenges facing Council and the community and now is the time to put a plan in place to address them.

LOW RATE RISES IN THE PAST

Council’s income comes from a variety of sources, including rates, user fees and subsidies and grants. In the past Council has made conscious efforts to keep rates rises as low as possible and this was done by a combination of deferring projects or using reserve funds.

Unfortunately, that approach has not always been made taking future needs into account and has meant, at times, that necessary projects or upgrades could not proceed or money for the future was not able to be put aside. The trade off between low rate rises and infrastructure renewals has led to a backlog of deferred renewals. In the 2018-2028 Long Term Plan a programme was put in place to start addressing the significant backlog of works. However, due to the large backlog, there is still some risk to the community of breakdowns and loss of service in the interim.

USE OF RESERVE FUNDS

There are multiple reserve funds put aside for various purposes but mainly they are to save money for future infrastructure needs and building/asset renewals/replacements. If enough money is not put aside, then when the time comes to do the work or replace the assets Council will have to look at other ways of funding the work. This will normally include rates or debt.

In recent years there were multiple occasions when reserve funds were used to keep rate rises down. This has a short term positive outcome but the negatives of this approach include reducing the reserve balance sooner than expected and for costs which are not one-offs, it means that the cost needs to be accounted for in following years and often this comes in the form of rates. So there might be a low rate rise one year due to the use of reserve funds, however this often creates a higher rates burden in following years.

TIME TO CHANGE

It is time to change our approach and look out for the best future interests of our District and community. Read on to find out what we’re planning and how we propose to achieve it.

Challenges we're facing

POPULATION

Between 2014 and 2019 the Grey District experienced a 0% population growth rate. The expectation is that this nil population growth rate will continue through to 2028 (as per projections produced by Statistics NZ and Infometrics). And from there the Grey District and the West Coast region will experience a gradual decline in population through to 2043.

As well as this, the District's population will age significantly over the next thirty years. This means that as part of the LTP, we need to ensure our services are fit for purpose and demand, i.e. provision of retirement housing units, footpaths renewed as required and easy access to community facilities. We also need to ensure that proposed rates increases are reasonable to cover our actual costs and take into account the community's ability and willingness to pay for any nice to have but not essential projects.

DEFERRED RENEWALS

Council looks after a significant amount of infrastructure which provides essential services to the community, including water supply, wastewater (sewerage), stormwater, roading, footpaths, bridges, public toilets, buildings and more. All assets have a specific useful life, which is worked out from a combination of industry best practice, how similar assets have performed in the past, environmental conditions and amount and type of use.

Due the trade off as stated before, we have a significant backlog of renewal works which need to be addressed to avoid serious implications in the future (approximately \$45 million of deferred renewals across our three waters and land transport activities). As part of the 2018-2028 Long Term Plan, we began putting extra money into addressing the deferred renewals. However it was a moderate annual increase and means it will take many years to catch up.

Stormwater has been identified as the highest priority due its age profile and therefore increased risk. We're planning on putting more money into renewing this infrastructure so we can continue to provide a reliable and efficient service to our community.

THREE WATERS REVIEW

The Government is presently working with all New Zealand Councils through a significant review of how the Three Waters (drinking water, wastewater and stormwater) services are delivered to our communities. Once completed, it is likely a number of changes will occur to the way these services are delivered and regulated.

We have signed a Memorandum of Understanding (MoU) with Central Government to explore future service delivery options and have secured \$3.8 million in funding towards current three waters projects. The Government expects to make substantive decisions in May 2021. For Councils that participate in the reforms, transfer of responsibilities, assets etc is likely to occur from 2023/2024 onwards.

Three waters' services are necessary for our community, regardless of what happens. Therefore the approach that we have taken is to assume the status quo, identify the key issues for the future and plan for the future, regardless of which agency will ultimately be responsible in the future.

For more information on the Government reforms, visit www.dia.govt.nz/three-waters-reform-programme.

TE TAI O TE POUTINI (ONE PLAN)

Council is presently engaged in a collaborative process with the West Coast Regional Council and Buller and Westland District Councils to develop a combined District Plan for all of the three District Councils on the West Coast. It is called Te Tai O Te Poutini (One Plan) and is a West Coast Regional Council led project.

This plan will put in place frameworks for urban growth and development, protection of significant sites or management of land and assets subject to natural hazard or climate change risk.

Challenges we're facing

Extensive consultation is likely to be required on some of the more complex issues covered in the plan and any appeal processes in the Courts could be lengthy. As a result of the complexity of the process and high uncertainty surrounding achievement of the timelines, Council has not included funding for new or altered infrastructure requirements as a result of any zoning changes.

CLIMATE CHANGE

Climate change effects include an increase in temperature, stronger winds, sea level rise, more intense rainfall events and longer dry periods and over the period of this LTP, we expect to see the impacts of climate change on:

- a) The physical and built environment of the Grey District
- b) Council's activities and service delivery
- c) Council's financial position
- d) The social, environmental, economic and cultural wellbeing of our communities

We have good information on hazard risks overall from climate change and now we need to understand how this might affect our community and Council services and facilities. So our focus for the next few years will be on understanding the risks of climate change and its potential impacts to our infrastructure (i.e. roads, water pumps and wastewater treatment) and community facilities. When we know what's most at risk, we can start factoring costs into our budgets and working with affected communities on future options. Some of the actions we will be taking include:

- Funding of \$100,000 has been included in Year 4 (once the Combined District Plan is complete) to further investigate mitigation measures across Council activities, such as the potential replacement of boilers and changes to our vehicle fleet.
- Continue to work in collaboration on a combined West Coast District Plan called Te Tai o Poutini Plan. This plan will establish planning zones for the region and will include identification of areas subject to hazards and the effects of climate change. Some areas and issues identified to date which are subject to hazards and the effects of climate change include:
 - The Karoro wastewater scheme, which is located in a coastal area. In the longer term Council may be faced with the issues of climate change (coastal erosion) in this area and may need to consider connecting the scheme to the Greymouth Scheme.
 - Projected increases in storm event frequency and intensity will affect decisions regarding the location and size of road pavements and structures. Flood carrying capacity of bridges and culverts should be considered now for future increases, given these assets are in service for up to 100 years.
 - Increasing flooding events in both numbers and severity, which could overwhelm our existing stormwater network.
 - Rising sea levels will also contribute to rising river levels and higher underground water tables, which over time will lead to reduced capacity of flood protection structures and more rapid stormwater runoff.
- Align as far as practicable with the recommendations in the Climate Change Commission Draft Report.
- Address the likely effects of climate change as part of the life cycle of our significant infrastructure.
- Look at our Council activities and how we reduce energy use, reduce emissions and be sustainable where possible.
- Take into consideration environmentally friendly options as part of our procurement processes.

ECONOMY

Over the short to medium term, all of New Zealand will experience higher rates of unemployment, with gradual recovery projected over the latter period of the Long Term Plan (BERL¹). The manufacturing, construction, agriculture, education, and healthcare and social assistance sectors are projected to recover by 2030. Tourism is likely to experience a more prolonged period of lower activity. Accommodation and food services and arts and recreation are unlikely to recover employment back to their pre-COVID levels by 2030. Additionally, the increase in unemployment generally will mute demand for domestic tourism in the short term. Unemployment is forecast to slowly recover to near five percent by around 2030.

¹ BERL - Local Government Cost Adjustor Forecasts - Three scenarios, September 2020

Where we want to be

ADDRESSING THE ISSUES

It is always a challenge for our community to be able to pay for services with a smaller and statistically slightly older rating base than some other Districts in New Zealand - the Grey District has 19.3% of their population aged 65 years and older, while the rest of NZ has 15.6% (Infometrics²). We're committed to making sure we deliver value for money in our services as well as addressing our key issues in a responsible and prudent manner and planning appropriately for the future.

We know that affordability can be an issue for our community; we have to balance the needs and wants of the community with the ability and willingness to pay for the services and activities it provides. However, it is also important that we don't put our heads in the sand when it comes to making decisions affecting our District in the sole interest of keeping rates low. Addressing issues now may cost in the short term but will save larger financial headaches later.

Developing this plan was a good opportunity for Council to take a look at where we are now, think about where we want to be and put together a plan for how we will get there.

Council's vision is for a Thriving, Resilient and Connected Grey District. This will require making the right decisions for our community, for the present and the future. Our priorities under this plan are as follows.

FOCUS ON CORE SERVICES

We want to focus on providing good quality, value for money core services to our community. This includes the water that comes from your tap, the refuse and recycling collected from your gate and removing and processing wastewater from your property. It also includes the roads, footpaths and bridges that you walk, cycle and drive on and ensuring central government regulations are met (i.e. building, planning and animal control regulations).

We will continue to provide community facilities that enhance the wellbeing and connectedness of our community and these include retirement housing units, library, recreation facilities and events for the community to participate in.

SAFE AND RELIABLE INFRASTRUCTURE

Good quality, well maintained infrastructure is vital to the wellbeing of our community. As well as providing new infrastructure where there is an identified need, we need to be renewing and upgrading our infrastructure as it falls due so that it remains operational and we do not have a repeat of our current significant deferred renewals programme.

FUTURE FOCUSED - GOOD FINANCIAL POSITION

Previously Council has focused on keeping rates low - achieved by either deferring necessary projects or using money from reserves. We want our planning to now incorporate both the present and the future. This will mean collecting enough money to pay for the projects and services deemed important, as well putting aside money for future needs, including upcoming projects and asset renewals/replacements.

² Infometrics Data, Age Population Counts, 2020

How we will get there

Our 2021-2031 LTP contains a plan to achieve our vision of being a **Thriving, Resilient and Connected Grey District**. It includes:

REALISTIC RATES RISES

Rates will be set at the amount required to achieve our goals. These will be higher than in previous years but will be future-proofing our community by addressing issues in a timely manner, providing reliable infrastructure and preparing for the future. Please see the table of proposed rates increases on page 25.

BORROW AT LOW INTEREST RATES TO FUND CAPITAL PROJECTS

It is preferable for Council to take advantage of low interest rates at the beginning of the Plan and borrow to achieve some of our capital programme and improve the services provided and wellbeing of our community.

By doing this we will be able to do the following:

ADDRESS DEFERRED RENEWALS

We plan to increase the funding for the current significant deferred renewals, with a priority focus on stormwater as we have identified this is the highest risk at present due to the age profile of the pipes. You can read more about our approach to addressing deferred renewals in the full Infrastructure Strategy.

PUT MONEY ASIDE FOR FUTURE PROJECTS

Council has several big projects included in the LTP and as with any big future project, we should begin our planning now. We intend to start putting money away towards the larger projects so that when the time comes, the amount which needs to be borrowed will be less.

INCREASE RESERVES

Our financial reserves are important assets for the community's future. Under this plan we will be increasing our contributions towards reserves, namely the emergency management reserve and Westland Recreation Centre reserve, which saves for asset replacement and renewal as the important community facility ages. Our reserves will increase by \$8.4 million by the end of ten years.

MATCH LEVELS OF SERVICE TO NEED

Align our service delivery to demand and usage, for example ageing population - provision of retirement housing and footpath renewals.

THE BIG ISSUES



And, how to have your say.

**SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021**

We've used several methods to determine what the key issues facing our community are - now and into the future. They include:

- We undertook pre-engagement with our community during early 2020 to determine what made their "Ideal Grey District".
- Feedback from the community via our website, Facebook page and the 2020 Resident Satisfaction Survey.
- Staff knowledge of our services and assets.
- Councillors' vision for the future of the Grey District.

**Spring Creek
Pool
delivery?**

**Runanga
Service
Centre
Delivery?**

**Extend
kerbside
collection?**

**New
Library?**

KEY ISSUE 1: Extension of kerbside refuse and recycling collection to all of Greymouth

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

BACKGROUND

Council currently provides a kerbside refuse and recycling collection to only part of the Grey District, namely greater Greymouth, Blaketown, Cobden, Karoro and Paroa. Communities outside of these receive a refuse bag collection service.

Since the kerbside recycling collection service first started in September 2013, Council has always signaled the service will be extended to other areas of the District depending on affordability, contractor availability and community preference.

The community has been asked several times since then if they wanted the service extended, on the understanding there would be an increased cost to properties receiving the new service. To date, it has not proceeded due to limited positive response to the proposal. Recent community engagement through Long Term Plan pre-engagement and feedback from our Resident Satisfaction Survey has indicated the issue most raised is the extension of the bin collection service to areas outside of greater/central Greymouth.

WHAT'S BEING PROPOSED?

Council have now included in their budgets to extend the kerbside refuse and recycling service to about 2,000 more urban communities (those currently on a bag collection service). This will mean that those properties will operate on a two bin refuse and recycling service from year two of the LTP, i.e. 1 July 2022. Financially it would mean an increase in the Refuse and Recycling Collection rate from year two for properties new to the service of approximately \$70.00 per annum.

Moana and Te Kinga will remain on a bag collection service as these areas are under a separate contract and also due to the largely seasonal/holiday population - there would be no-one at the property during the week to put the bins out.

IMPLICATIONS/BENEFITS

The implications of not addressing this issue include:

- Lower levels of satisfaction from those users not in the kerbside collection area.
- People outside the kerbside collection area have to sort their own recyclables and take them to the disposal centres (although the disposal of them is free)
- Increased costs to Council. The waste disposal level is currently \$10 per tonne but from 1 July 2021, it is increasing to \$20 per tonne and the Emission Trading Scheme (ETS) fee is increasing by \$10 a tonne (from \$25 to \$35). Based on the amount of refuse disposed of last year, this equates to an approximate additional cost to Council of \$183,000 if we don't decrease the amount of rubbish going into the landfill. It is also noted that the waste levy will increase to \$60 per tonne by 1 July 2024.

Benefits of extending the kerbside collection include:

- Complying with the wishes of the community.
- A possible reduction in the amount of refuse going into the landfill. Council has recently built a large storage shed at McLean's Recycling Centre, which now provides greater capacity for dry storage of recyclables. Better quality recyclables could equate to an increase in recyclables income.
- Separation of refuse and recycling has a positive effect on the environment and preserves it for future generations, as well as potentially lowering the waste disposal levy and ETS costs incurred by Council (refer opposite).

KEY ISSUE 1: Extension of kerbside refuse and recycling collection to all of Greymouth

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT ARE THE OPTIONS?

Council's
Preferred
Option

Option 1 - Extend area

Expand the service to approximately 2,000 more urban communities in the District (those currently on a bag collection service).

The increased service will cost Council an estimated additional \$362,000 per annum, which equates to an increase of around \$70.00 to the existing refuse collection rate for properties new to the service.

It is expected that the service will be operational for the expanded area from year two and the increase in rates will apply then.

Option 2 - Don't extend area, i.e. status quo

Stick with the status quo. Residents outside of the current kerbside refuse and recycling collection area will continue to receive a weekly refuse bag collection service.

This option will have no effect on rates.



KEY ISSUE 2: New Library

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

BACKGROUND

Libraries have changed over the years. Previously the main focus was on a quiet space and books - now they are more of a community hub where people can read, connect and socialise. The Library & Museum Strategy undertaken in 2019 identified that the current library accommodation is unsuitable for the way that modern libraries work - it is undersized per capita, the staff area is cramped and it has no space for meetings or other activities. Feedback from our community echo these sentiments.

The current library is in Albert Mall in central Greymouth and is currently on leasehold land. There is no dedicated carparking space, however it does get a lot of foot traffic. Whilst the library does an excellent job with the service it offers the community, there is no room for the service to grow and adapt to the current needs or to expand the collection.

Given the way the libraries have evolved over the years and the current need to have a modern space which is bigger with more access to today's technology, extending the current site is not a feasible option. The building is also ageing and with that, incurring increasing maintenance costs.

IMPLICATIONS OF NOT ADDRESSING THIS ISSUE

- There is no room or potential to increase the current services to the community or expand the current collection, which includes digital literacy classes, device advice sessions, books, DVD's, audio books, puzzles, magazines and computers available for use, free of charge.
- Council staff receive frequent requests for a meeting room, study room or interview room. This is a possible income stream for the library and would meet the needs of the community.
- Increasing costs associated with the existing building, i.e. ongoing lease costs, increasing maintenance costs and costs to upgrade the outdated technology to today's modern requirements.

WHAT'S BEING PROPOSED?

We're proposing to build a new, modern, purpose built library on freehold land in Greymouth. Whilst designs have not yet been commissioned for the new building, initial plans are for a single storey building with a mezzanine which will incorporate meeting rooms and plenty of space inside to provide a current library service which fulfills the requirements of our community.

Purchase of land and design would be occurring in years 5 and 6, with construction planned to start from year 7. We are planning on repaying a majority of the debt by the end of year 10.

The proposed new building will be larger than the existing library but as it will be modern and energy efficient, at this stage operational costs are not expected to differ significantly from those currently budgeted. There will, however, likely be savings in ongoing maintenance and repairs. The operating costs in year 9 (excluding overheads) will be approximately \$766,000 per annum.

KEY ISSUE 2: New Library

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT ARE THE OPTIONS?

Council's
Preferred
Option

Option 1 - A new purpose built library on freehold land

Council's preference is to build a new fit for purpose building to house the library and the services it can offer, including meeting rooms, quiet spaces and modern technology. This project is planned to start from year 5.

The cost of this is estimated to be around \$14 million and this would cover the purchase of land, construction and fit-out of the space.

We intend to fund this from short term debt and rates. We will also be applying for any available subsidies and grants which may be available at the time.

We plan on borrowing approximately \$4.2 million, with the balance to come from general rates. A majority of this debt will be repaid by the end of this plan (there will be a balance of approximately \$1.5m in year 10).

Due to the proposed building being of a modern design and brand new, we are not expecting operating costs to be significantly different than current costs at this stage, noting there will likely be savings in ongoing maintenance and repairs.

This is Council's preferred option and the debt and rates funding has been included in our budgets.

Option 2 - Don't proceed with building a new library, i.e. status quo

The alternative is to remain with the existing building and the existing services it provides.

This will have no effect on rates and debt, however may impact on user satisfaction, with decreasing happiness from the community on the services provided.



KEY ISSUE 3: Delivery of Spring Creek Pool Service

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT IS THE ISSUE?

The Spring Creek Swimming Pool in Runanga was previously an outdoor pool (4 lane-25m and learners pool) but due to the work and support of dedicated fund raisers and generous sponsors, a roof was built over the facility and the complex was handed over to the Council in late 2011. The same year, the Greymouth Baths were also upgraded, with the previous dated facility in Turumaha Street demolished and a new facility built in High Street. The Grey District Aquatic Centre (now part of the Westland Recreation Centre) includes an eight lane 25m lap pool, leisure pool, learners pool, hot tub, sauna and two hydrosides.

A report undertaken by Sport New Zealand in June 2020, called the West Coast Sport and Active Recreation Spaces and Places Strategy, revealed that the West Coast has three standard sized (8 lane-25m) Council pools.

This equates to 10,716 people per Council provided standard pool, which is significantly better provision levels than the national average for Council pools (23,472) and only slightly under the national average overall for all pools (10,518). The report suggests rationalisation of ageing or low use facilities is required.

WHAT'S BEING PROPOSED?

The Spring Creek Pool is only open during the summer period and patronage is generally low. The main user is the Runanga School. Running costs for the facility are around \$60,000 per annum and the average annual income is less than \$3,000. The Westland Recreation Centre is only 7km away and provides a higher level of service to the community.

Therefore, given the other priorities facing Council right now, it has been decided that as the Westland Recreation Centre provides above the national average aquatic services, Council is proposing to withdraw from operating the Spring Creek Pool facility. This will save money and time in operating one facility rather than two.

IMPLICATIONS OF NOT ADDRESSING THIS ISSUE

- The West Coast Sport and Active Recreation Places and Spaces Strategy has identified an over-supply in aquatic facilities for the West Coast. This is an appropriate time for Council to consider rationalising the provision of pools and withdrawing from those which are ageing or low use. The Westland Recreation Centre is only 7km away.
- There is ongoing cost to the ratepayer in the operation of a facility where the expenditure is significantly higher than income received. Whilst it is noted that pools play a very important part in the wellbeing of the community and are not expected to be cost neutral (i.e. that there will always be some form of rates input to make the services available community wide), it is noted that at present there are two aquatic facilities requiring rates input to operate.
- From an operational point of view, there are two facilities to maintain and staff. Spring Creek Pool is open for the summer period only but still requires regular maintenance and checks the rest of the year, which requires time and money.

KEY ISSUE 3: Delivery of Spring Creek Pool Service

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT ARE THE OPTIONS?

Council's
Preferred
Option

Option 1 - Spring Creek Pool is no longer a Council provided service.

Given the other priorities facing Council right now and as the Westland Recreation Centre provides above the national average aquatic services, Council is proposing to withdraw from operating the Spring Creek Pool facility. This will save money and time in operating one facility rather than two.

Option 1A: We recognise that the pool may be an important asset to the Runanga community. Therefore we are open to a local group or organisation taking over the facility, supported by an annual operational grant from Council in recognition of the costs associated with running such a facility. The facility could be put into a trust and handed over to the operating group. This option will mean that Council will be saving \$30,000 per annum and Council is able to focus on the operation and maintenance of one aquatic facility for the Grey District.

Option 1B: If however, no suitable group or organisation is available to take over, then the facility will be closed and disposed of. This option would have some cost savings per year, however until the facility is disposed of, Council will still be liable for some direct costs, i.e. power, insurance, rates, maintenance etc (approximately \$30,000 per annum). Once facility disposed of, Council will get proceeds from the sale of the facility (current rating valuation is \$86,000) and will save approximately \$60,000 per annum in direct costs.

Option 1A has been included in our budgets for 2021/2022.

Option 2 - Council continue to provide the service - funded by a targeted rate

Council could continue to provide the service and carry on as previous but with a different method of funding the service.

Under this option, the service would be funded by a targeted rate for Runanga/Dunollie/Rapahoe properties as they are ones who most benefit from the service being provided. This is felt to be a fair approach.

The annual cost of providing the service is approximately \$86,000 (which includes Council overheads). If this spread over the 650 ratepayers in the targeted area of Runanga, Dunollie and Rapahoe, this would equate to an increase of approximately \$160.00 per annum to the rates accounts of those properties.

This is not Council's preferred option and has not been included in our budgets. It is also noted that this is against the findings of the West Coast Sport and Active Recreation Spaces and Places Strategy and is therefore not financially prudent to operate two aquatic facilities when an over-supply has been identified.

Option 3 - Council continue to provide the service, i.e. status quo

Council could continue to provide the service and carry on as previous. This is against the findings of the West Coast Sport and Active Recreation Spaces and Places Strategy and is therefore not financially prudent to operate two aquatic facilities when an over-supply has been identified.

If this were to occur, it would mean an increase in the general rate of approximately \$30,000, which would be approximately \$3.80 per annum per rates assessment. This is not Council's preferred option and has not been included in our budgets.

KEY ISSUE 4: Runanga Service Centre and Community Library

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT IS THE ISSUE?

The Runanga Service Centre and Community Library have been operating in Runanga for many years. However, changes to the services able to be provided at the Service Centre have prompted Council to review the relevance of the service and assess its future.

The Service Centre is open mornings only and the community library approximately seven hours per week. The Service Centre is able to process payment of Council accounts (e.g. rates, debtors, infringements etc), redemption of Council refuse ties and NZ Post transactions (as an authorised NZ Post agent).

However, cheques, a common payment method used at the Service Centre, are being phased out on 24 June 2021 and the Service Centre stopped taking bill payments, e.g. for power and phone, back in May 2019. This has impacted on the number of customers who use the facility and a steady decline has been observed.

Two staff members work at the Runanga Service Centre and Community Library, with few customers using the facility. The building is ageing and incurring increasing maintenance costs. The question has been raised if this is best use of Council resources and money when the Council offices and Grey District Library are only 7km away. It is also noted that the Runanga Service Centre and Community Library are funded from the general rate, which is paid by all ratepayers. There are other communities within the Grey District are not able to access a Service Centre in their area and therefore fairness and equity should be considered. The Northern Ward Community Board (incorporating Runanga and surrounds) was disestablished in 2007. The Runanga Service Centre was certainly relevant when the Community Board was still in effect.

WHAT'S BEING PROPOSED?

Council is proposing to withdraw from the Runanga Service Centre and dispose of the building. Staff will be able to utilised elsewhere in Council where appropriate. Customers who used the Runanga Service Centre will be able to use Council offices or library in town, which is just 7km away and it is assumed most people need to come into town at some stage, i.e. groceries, medical appointments etc.

IMPLICATIONS OF NOT ADDRESSING THIS ISSUE

- As with the Spring Creek Pool facility, Council is paying for the operation and maintenance of multiple service facilities - Runanga Service Centre and Community Library, Grey District Council offices and the Grey District Library. Given the priorities facing Council, it is time to make prudent decisions about ongoing financial costs and consolidate where appropriate.
- There are few customers using the Service Centre, with the main Council offices and library only 7km away. With low usage and changes in the services able to be offered, now is a good time for Council to rationalise its service delivery and make efficiencies where possible.
- There are costs associated with operating a building such as power, insurance, rates and renewals. The Runanga Service Centre building is also ageing and maintenance costs are increasing.

KEY ISSUE 4: Runanga Service Centre and Community Library

SUBMISSIONS CLOSE AT 5PM
MONDAY 17 MAY 2021

WHAT ARE THE OPTIONS?

Council's
Preferred
Option

Option 1 - Runanga Service Centre is no longer a Council provided service and the building is disposed of.

At present it costs around \$17,000 per annum to provide the current service (excluding staff cost). This does not include maintenance and renewals, which are increasing due to the age of the building.

Due to declining usage, relevance and nearby proximity of main Council offices, we are proposing to stop providing the service and dispose of the building.

The land and buildings are freehold and owned by Council - the current valuation is \$70,000.

This is our preferred option and has been included in our budgets (excluding any potential proceeds from sale).

Option 2 - Continue to provide the service (status quo) – funded by a targeted rate

Council could continue to provide the service and carry on as previous but with a different method of funding the service.

Under this option, the service would be funded by a targeted rate for Runanga/Dunollie/Rapahoe properties as they are ones who most benefit from the service being provided. This is felt to be a fair approach.

The annual cost of providing the service is approximately \$17,000. An allowance \$5,000 average per year has been included for building maintenance.

Spread over 650 ratepayers, this would equate to \$40.00 per annum increase to the rates accounts of properties in Runanga, Dunollie and Rapahoe.

This is not Council's preferred option and has not been included in our budgets.

Option 3 - Continue to provide the service (status quo) - funded by general rate.

Council could continue to provide the service and carry on as previous, with the same funding mechanism.

Under this option, the service would be funded by the general rate, payable by every ratepayer. It amounts to approximately \$22,000 per year (this includes an allowance for annual maintenance and renewals, which are increasing due to the age of the building), which equates to approximately \$2.80 per annum per rates assessment.

This option would increase the overall rates increase for year one to 10.13%.

This is not Council's preferred option and has not been included in our budgets.

Our infrastructure

BACKGROUND

Grey District Council owns and manages \$502 million of infrastructure assets (*Replacement Cost - 2020 valuation*) which provides essential services to the community, including water supply, wastewater (sewerage), stormwater, roading, footpaths and bridges.

KEY INFRASTRUCTURE ASSETS



ROADING & FOOTPATHS

648km

ROADS (62% SEALED)

106.8km

FOOTPATHS

209

BRIDGES AND CULVERTS



WASTEWATER (SEWER)

6

WASTEWATER SCHEMES & TREATMENT PLANTS

39

PUMP STATIONS

182km

PIPES



STORMWATER

5

PUMP STATIONS

132km

URBAN STORMWATER PIPES



WATER SUPPLY

2

WATER SUPPLY SCHEMES

208km

PIPES

9

RESERVOIRS

12

PUMP STATIONS

ASSET KNOWLEDGE

We have developed an Infrastructure Strategy, which forms part of the Long Term Plan and provides a 30 year view of potential strategic issues and options and expenditure requirements.

We have been carrying out condition assessments on our underground assets over the past few years and now have reasonably good knowledge and understanding on their expected lives and how long we can expect them to serve their purpose, which gives us better and more accurate information when it comes to planning for their renewal.

Over the period of this LTP, we will be using the information from the condition assessments to carry out renewal works on a prioritisation basis so we can maintain levels of service and avoid potential critical failures.

Our infrastructure

CURRENT POSITION

Due to the previous trade off of low rates against renewals when infrastructure had reached the end of its useful life, the Grey District has a significant backlog of renewal works (approximately \$45 million worth) which need to be addressed to avoid serious implications in the future.

From 1 July 2021 we are planning to put additional money into our renewals programme, with a particular focus on stormwater and land transport. It is noted this is largely a focused continuation of the strategy adopted at the last LTP - we have not included this a key consultation issue as we feel that for the community's best interests, there is not choice but to do this. We plan on spending approximately \$34 million over 10 years on the deferred renewals.

If we do not invest in addressing our deferred renewals on a more rigorous basis, the community and Council may be faced with the following consequences:

- Increased maintenance costs due to the poor state of some of our assets.
- Increased breaks due to poor condition of the pipes.
- Potential for critical asset failure, which could lead to loss of service.
- Public health risk when our assets fail.
- A lower quality of drinking water, i.e. taste and colour. While this won't affect the safety of the water, it could lead to lower levels of satisfaction from users.
- Older assets have greater potential for earthquake vulnerability - renewal/replacement with more modern products can provide greater resilience in the event of a natural disaster.
- Flooding damage could occur from broken infrastructure.
- Potential consequences from climate change (yet to be identified).

You can read the full draft Infrastructure Strategy on our website.



USEFUL LIFE

All assets have a specific useful life, which is worked out from a combination of industry best practice, how similar assets have performed in the past, environmental conditions and amount and type of use. Once an asset has reached the end of its useful life, then it is expected that it will require replacement (renewal) to keep providing the service. If we use the asset beyond the end of the useful life, then this is known as deferred renewal (also commonly referred to as renewal backlog or renewal deficit).

Our finances

INTRODUCTION

Council is involved in a wide range of activities that each have their own unique funding requirements and challenges.



We develop a Financial Strategy to set the overall direction for the Council's finances over the next ten years. It covers where our goals and where our money will come from. We also set limits on rate rises each and total debt we will incur as part of this strategy. You can read the full draft Financial Strategy on our website.

OUR FUTURE FOCUS

In previous years our financial goals have included a focus on keeping rates low to help lessen costs to our community. In the last financial year Council reduced the rates rise from 3.66% (as forecast in the last LTP) to 2.7% to temporarily cushion impacts on ratepayers due to the impacts from the Covid-19 pandemic. This was a one-off reduction because of the unprecedented global situation.

However, over time the costs of Council business have continued to rise, including the costs of complying with increasing standards and laws governing various aspects of Council's operations. As well as that, reducing direct costs to ratepayers and keeping rates low meant that while we made decisions on proceeding with necessary upgrades of water and wastewater plants, decisions were also made to delay some replacements of our older infrastructure (renewals), particularly in our stormwater and bridge networks. We have also, on occasion, used reserves to pay for activities, which delays rates increases and reduces our reserve fund balances.

Council's approach is to now focus on forward planning and long term stability, effectively reducing "its reliance on using the credit card and putting savings away". We will be achieving this by doing the following over the next ten years:

- Matching rates revenue to actual expenses, i.e. 9.99% rates rise year one, 6% rates rise years 2-10.
- Spending \$133.4 million on capital expenditure, including a purpose built new Library, addressing deferred renewals and creating resilient infrastructure.
- Repaying debt and reducing it by \$4.9 million by the end of year 10. Our debt will peak at \$42.6 million in year 8.
- Putting \$7.8 million into our reserves over 10 years (for various projects over the life of the plan and future expenses).

Our finances

Which will allow us to:

- 'Catch up' on underfunded programmes from last year's temporary reduction and operational activities previously funded from reserves;
- Budget for increasing compliance costs (such as the new waste levies, rises in the minimum wage and ensuring Council's management of documents and valuable records meet legal standards);
- Fund increased renewals of our older stormwater pipe and bridge networks to reduce the risk of failure ; and
- Avoiding significant costs in future and putting aside money for projects in the future, rather than relying solely on debt.

For more information, please read our full Financial Strategy.

BALANCING OF THE BUDGET

A **balanced budget** where each year's projected operating revenues meets that year's projected operating expenses.

The budget proposed for the next ten years does not balance in all years. The activities which are not fully funded include Land Transport, Wastewater, Port and the Westland Recreation Centre. A brief explanation of why this occurs is below and full details can be found in our Financial Strategy.

Land Transport	Council raises revenue (rates and Waka Kotahi financial assistance) to fund its renewals expenditure. Given depreciation is higher than renewals expenditure, this activity subsequently runs at a loss (deficit).
Wastewater	The annual depreciation expense reflects the actual cost of the schemes, which were heavily subsidised. Therefore rates income does not pay the full cost of the schemes and therefore this activity is running at a loss (deficit) to make it affordable to the benefitting communities.
Port	The Port has run at a loss for many years and continues until year 9 of the Plan. Cash shortfalls in years 1 to 8 will be met from Council borrowing, with the increases in revenue and rates used to repay debt from year 6 onwards.
Westland Recreation Centre	Similar to the wastewater activity, the Westland Recreation Centre was funded largely from external fundraising and donations. If we raise revenue (via rates) to fully cover the depreciation expense, then it becomes unaffordable for the community.

Rates

Rates fund a large number of activities, most of which most people don't give a second thought to - until they break down, i.e. water supply, refuse collection, roads, animal control etc.

Our Financial Strategy sets out limits for rates increases. The following table outlines the rates limit, proposed rates increase and major items for each year (in addition to the day to day running of Council services and facilities that your rates pay for) for the next ten years.

YEAR	RATES LIMIT	PROPOSED RATES INCREASE	MAJOR ITEMS/PROJECTS
YEAR 1	9.99%	9.99%	Fully funding roading expenditure (a loan was used the 2020/21 year to lower the rates rise due to the impact of COVID-19). Expenditure on Economic development was reduced by 50% in 2020/2021 to help reduce the expected rate rise. Economic development expenditure has increased for 2021/2022 to begin to return it to pre COVID-19 levels. Staff cost increase relating both to earlier underfunding and the impact of the minimum wage increase.
YEAR 2	6%	6%	Increase Stormwater renewals to address increasing deferred renewals. Increase costs of expanding the recycling collection to the wider district.
YEAR 3	6%	6%	Repayment of Loan funding for Roothing used in 2020/21 to lower rate increase due to COVID-19.
YEAR 4	6%	6%	Lump sum increase in renewals for stormwater to reduce deferred renewals.
YEAR 5	6%	6%	Purchase of Land and initial design for new library facility. 1% of rates annual from year 5 to go into the disaster recovery reserve.
YEAR 6	6%	6%	Design and initial stages of Construction of the new Library facility.
YEAR 7	6%	6%	Construction of the new Library facility.
YEAR 8	6%	6%	Increase in Stormwater renewals of \$50k per year to address deferred renewals. Construction of the new Library facility.
YEAR 9	6%	6%	Repayment towards short-term debt used for building of the new Library facility, fully funding Port Operations via rates and user Charges.
YEAR 10	6%	6%	Repayment of debt, including all remaining Port associated debt,. The creation of a general reserve to help ease the costs of any future unplanned/emergency expense.

As you can see, by the end of the next ten years, Council and our community will be in a very healthy financial position.

For rate increases to be lower, Council would need to:

- Continue to defer issues identified; and/or
- Cut expenditure with associated decreases in levels of service.

There are no changes forecast to the method of setting of rates apart from the following.

Rates

WATER SUPPLY RATES

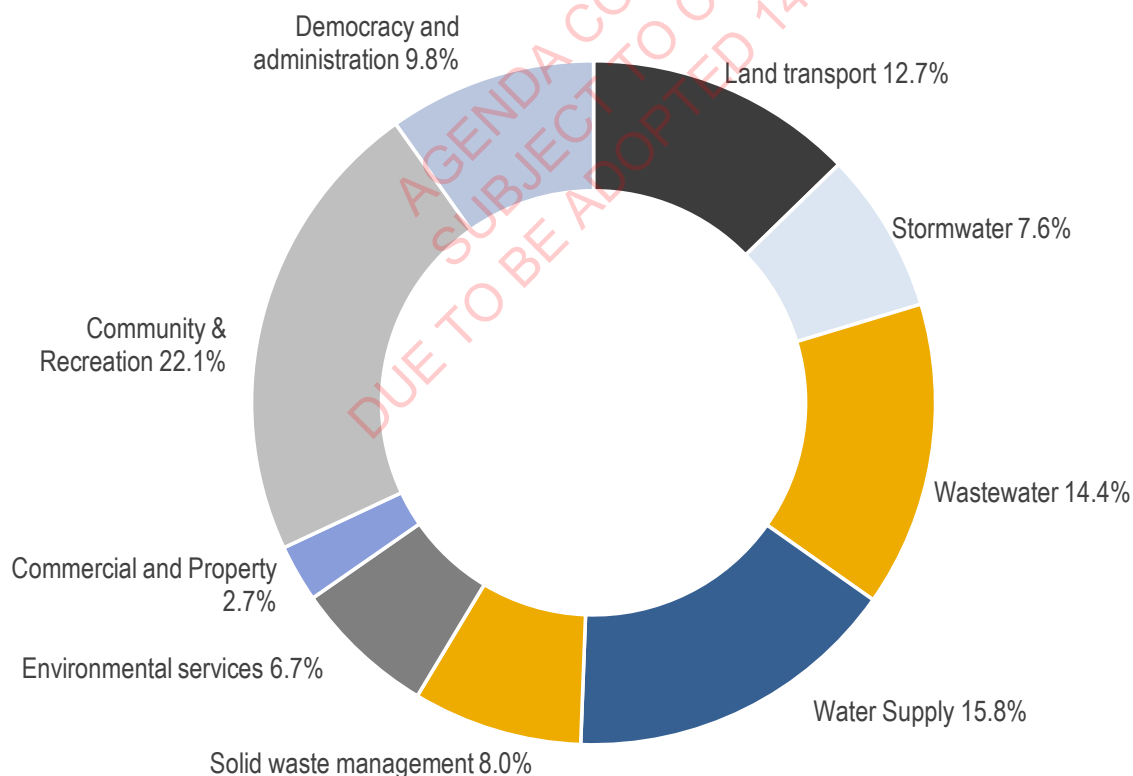
There are only two separate water supply schemes in the Grey District:

Greymouth	Servicing central Greymouth, CBD, Cobden, Blaketown, Karoro, Boddytown, Paroa, South Beach, Dobson, Taylorville and Stillwater, Rapahoe, Runanga/Dunollie
Blackball	Servicing the Blackball community

From 1 July 2021 the Kaiata community and Kaiata park will start paying rates towards their new water supply. They will be connected to the Greymouth water supply. The rate for year 1 will be \$410.00.

We are also standardising the water supply rates so that properties and businesses will pay the water supply rate per the scheme they are connected to. Blackball, Dobson/Taylorville, Greymouth and Stillwater now all pay the same amount (\$513.00) as they are all connected to the Greymouth water supply. The rate change for properties in Runanga/Dunollie/Rapahoe and Kaiata will be phased in.

RATES INPUT TO ACTIVITIES/GROUPS OF ACTIVITIES



Your rates

The LTP is signaling a rates increase of 9.99% for the first year of the plan. Examples of how the forecast rates rise will affect properties are shown below. Note that they include all of our preferred options for the key issues.

Grey District rates are based on:

- A differential rating system where the rates calculated on land value vary based on property use (e.g. residential vs. commercial) and location; and
- Targeted rates for refuse collection, water, sewerage and economic development, which can vary in cost depending on scheme and location.

How your rates will be affected by the forecast increase will depend on whether new rates apply from next year, (for example Kaiata water) and how your land value sits in relation to the average value of land in your rating category (i.e. residential zone 1, rural use etc). All properties will receive the increase in the Uniform Annual General Charge (currently \$520.65 and forecast to be \$642.00 in 2021/2022). There was a decrease in the rates last year for most commercial/ industrial properties and farming/forestry rating units due to the changes we made in the economic development and roading intake to keep the rates increase down due to Covid-19.

We have tried to ease the burden of the forecast rate increase in year 1 by spreading general rates over a greater number of ratepayers where possible to lower the impact on individual properties. It is a good idea to look at the weekly and daily increase to get an idea of the possible impact.

RESIDENTIAL

	ZONE 1							ZONE 2
	Blaketown	Cobden	Greymouth	Karoro	Kaiata	Paroa	Runanga	Blackball
Land Value	\$33,000	\$21,000	\$82,000	\$116,000	\$40,000	\$74,000	\$27,000	\$21,000
Current Rates	\$2,488.64	\$2,315.90	\$3,193.98	\$3,366.88	\$2,362.23	\$2,721.74	\$1,825.30	\$2,095.28
General Rates (including UAGC)	\$1,183.76	\$986.76	\$1,988.19	\$2,546.36	\$1,298.68	\$1,856.85	\$1,085.26	\$908.81
Targeted Rates	\$1,491.00	\$1,491.00	\$1,491.00	\$1,173.00	\$1,659.20	\$1,132.00	\$918.50	\$1,344.00
TOTAL RATES 2021/2022	\$2,674.76	\$2,477.76	\$3,479.19	\$3,719.36	\$2,957.88	\$2,988.85	\$2,003.76	\$2,252.81
% increase	7%	7%	9%	10%	25%	10%	10%	8%
\$ increase	\$186.12	\$161.86	\$285.21	\$352.48	\$595.65	\$267.11	\$178.46	\$157.53
Cost per week	\$3.58	\$3.11	\$5.48	\$6.78	\$11.45	\$5.14	\$3.43	\$3.03
Cost per day	\$0.51	\$0.44	\$0.78	\$0.97	\$1.63	\$0.73	\$0.49	\$0.43

	ZONE 2					ZONE 3		
	Cameron's	Dobson	Gladstone	Rapahoe	Taylorville	Ahaura	Moana	Ngahere
Land Value	\$44,000	\$38,000	\$98,000	\$88,000	\$32,000	\$25,000	\$205,000	\$47,000
Current Rates	\$1,151.59	\$2,734.20	\$1,688.87	\$2,025.83	\$2,674.50	\$922.84	\$2,711.90	\$1,106.79
General Rates (including UAGC)	\$1,201.04	\$1,124.81	\$1,887.13	\$1,760.08	\$1,048.57	\$824.77	\$2,104.02	\$1,106.79
Targeted Rates	\$195.00	\$1,762.20	\$195.00	\$631.50	\$1,762.20	\$195.00	\$483.00	\$195.00
TOTAL RATES 2021/2022	\$1,396.04	\$2,887.01	\$2,082.13	\$2,391.58	\$2,810.77	\$1,019.77	\$2,587.02	\$1,180.62
% increase	21%	6%	23%	18%	5%	11%	-3%	7%
\$ increase	\$244.45	\$152.81	\$393.26	\$365.75	\$136.27	\$96.93	-\$82.89	\$73.83
Cost per week	\$4.70	\$2.94	\$7.56	\$7.03	\$2.62	\$1.86	-\$1.59	\$1.42
Cost per day	\$0.67	\$0.42	\$1.08	\$1.00	\$0.37	\$0.27	-\$0.23	\$0.20

Your rates

RURAL/FARMING

	Rural Residential (Coast Road) (Properties with a land area 4,000 square metres (0.4HA) to 50,000 square metres (5.0HA) and used primarily for residential purpose)	Rural Use (Rutherglen) All properties in the District greater than or equal to 50,000 square metres (5HA) and used primarily for residential purposes.	Farming/Forestry (Taylorville) All properties in the District used primarily for farming and/ or forestry purposes.	Farming/Forestry - (Mitchells) All properties in the District used primarily for farming and/ or forestry purposes.
Land Value	\$136,000	\$155,000	\$5,500,000	\$3,690,000
Current Rates	\$1,426.63	\$1,458.97	\$9,861.69	\$6,528.43
General Rates (including UAGC)	\$1,594.31	\$1,622.71	\$10,629.95	\$7,343.01
Targeted Rates	\$195.00	\$195.00	\$390.00	\$0.00
TOTAL RATES 2021/2022	\$1,789.31	\$1,817.71	\$11,019.95	\$7,343.01
% increase	25%	25%	12%	12%
\$ increase	\$362.68	\$358.74	\$1,158.26	\$814.58
Cost per week	\$6.97	\$6.90	\$22.27	\$15.66
Cost per day	\$0.99	\$0.98	\$3.17	\$2.23

COMMERCIAL/INDUSTRIAL

	Greymouth (two separate rating units)	Greymouth (one rating unit)	Blackball	Moana
Land Value	\$159,000	\$41,000	\$22,000	\$185,000
Current Rates	\$8,209.74	\$3,365.83	\$2,227.51	\$4,834.77
General Rates (including UAGC)	\$5,755.77	\$1,960.65	\$1,133.37	\$5,090.84
Targeted Rates	\$4,030.40	\$1,872.03	\$1,431.74	\$814.00
TOTAL RATES 2021/2022	\$9,786.17	\$3,832.68	\$2,565.11	\$5,904.84
% increase	19%	14%	15%	22%
\$ increase	\$1,576.43	\$466.85	\$337.60	\$1,070.07
Cost per week	\$30.32	\$8.98	\$6.49	\$20.58
Cost per day	\$4.32	\$1.28	\$0.92	\$2.93

Debt

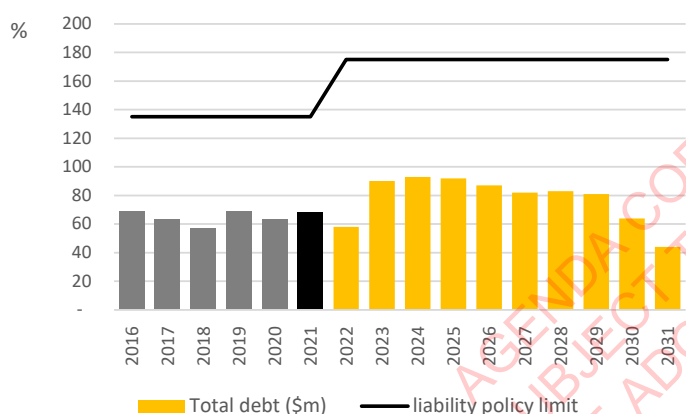
We will borrow money to pay for a number of important projects over the term of the LTP. Council's debt is estimated to be \$33.9 million on 1 July 2021. This is a modest level of debt for a council of our size and is set to rise over the first eight years of the LTP to peak at \$42.6 million and by year 10, our outstanding debt will have decreased to \$29 million.

If a significant unforeseen event happens, such as a natural disaster, it is possible we might have to borrow more than our self-imposed policy limits. However, we have set the limits to what we consider to be fairly conservative on purpose so we have room to exceed them in an unforeseen emergency.

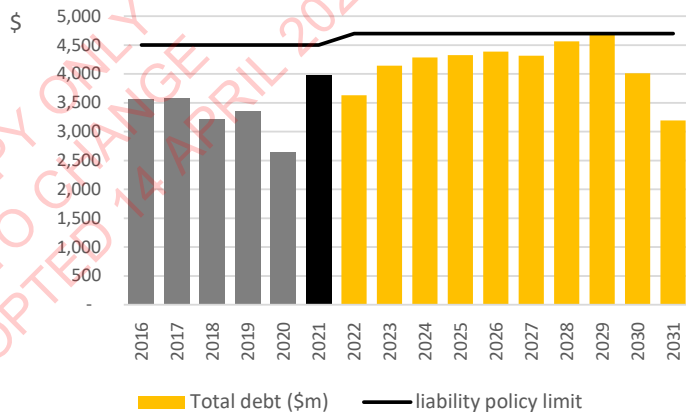
A significant contributor to the increase in debt is the need to ensure our assets are renewed or replaced, to manage risk and to maintain levels of service. The cost of servicing the forecast debt and the assets we build is built into our forecast rates increases. Using debt to share the cost of long term assets across generations that benefit from the asset is considered to be a good approach and also takes advantage of current low interest rates to pay down the debt.

Our net external debt limit has been set by Council at 175% of total revenue.

TOTAL FORECAST DEBT



TOTAL DEBT PER RATEPAYER



The following tables lists some of the major projects which will be funded by debt over the next 10 years.

YEAR/S	PROJECT	APPROX. LOAN/ PROJECT COST
1	Water reservoir, Cobden	\$1.1 million
1	Additional intake bore, Greymouth water supply	\$250,000
1-10	Renewals of wastewater network, Runanga/Dunollie	\$1.8 million
1-10	Greymouth urban stormwater upgrades (including \$1.8 million for upgrades in central Greymouth and \$175,000 for Nolan Crescent Stage 2)	\$2 million
2	Heavy vehicle access to the Port	\$1.5 million
2-3	McLeans - new landfill cell and leachate upgrade	\$2.2 million
2-3	Greymouth wastewater plant, UV replacement	\$1.5 million
4	Replacement pound facility	\$500,000
4	Moa Street, Dobson, stormwater upgrade	\$200,000
5-8	New library	\$4.2 million (Approx project cost - \$14 million)

Additional information

LEVELS OF SERVICE

Council provides our community with good quality local infrastructure and local public services as well as cost effective regulatory functions, in order to promote the social, economic, environmental, and cultural well-being of our communities, both present and future. This financial strategy is designed to largely maintain the current levels of service, facilities and regulatory functions provided by the Council, with the exception of those services outlined below.

Subject to the outcome of consultation, areas where we may increase levels of service are:

- Extension of the kerbside refuse and recycling collection outside the greater Greymouth area.
- Building a new library facility in Greymouth.
- Specific stormwater and roading upgrade projects.

Also subject to consultation, Council is considering the future of Spring Creek pool and whether to maintain its involvement given the ongoing cost to the ratepayer and the proximity of the Greymouth Aquatic Centre as a district facility. Council is also consulting on the future of the Runanga Service Centre and Community Library. Options include maintaining the service centre as currently funded through the general rate, closure of the service centre, offering the service to another agency to provide, or funding the operation of the service through a targeted rate.

Depending on the outcome of consultation on those matters, there may be changes to levels of service provided by the Council.

COVID-19 RECOVERY

In the last financial year due to the uncertainty around the economic impacts of Covid-19, Council reduced its forecast rates rise from 3.66% to 2.7% to temporarily cushion impacts on ratepayers. This was a one-off reduction in direct recognition of the unprecedented global situation and the catch up has been included in the budget for 2021/2022.

At present there is ongoing uncertainty around the management of Covid-19 and its long term effects. The main impact for the Grey District is the reduction in tourist numbers, with a long term slow recovery to pre-Covid numbers forecast.

As we look to recover and build community resilience, we will continue to explore opportunities and access available funding from government economic stimulus packages for water infrastructure and other growth funds. This funding will be used on improving services to our community and businesses, including upgrades to roading and bridges, three waters assets and services and upgrades to the Port of Greymouth.

We will also continue to focus on community spaces and places, with a proposal for a new district library and ongoing maintenance of our public parks, reserves and cycle trails. These enhance community wellbeing and are important assets in community cohesion and recovery

MUSEUM SERVICE

We have signed a three year lease for the use of the shop for the museum pop-up display, with two rights of renewal. The first right of renewal will occur in year three of the LTP and therefore the future of museum service delivery will be included as part of future plans.

FEES AND CHARGES

Approximately 13% of our revenue comes from user fees and charges. You can see a full list of our proposed fees and charges for 2021/2022 in the Draft Long Term Plan (available on our website).

Other matters for consultation

Council is also consulting on the following three matters - please read below for more information. To make a submission please use page 34 of this document.

REVENUE AND FINANCING POLICY

THE ISSUE	We have made some changes to our Revenue and Financing Policy. This policy outlines sources and levels of funding for Council activities and explains why the various tools to fund the operating and capital expenditures of the Council have been used.
WHAT IT MEANS	<p>Key changes to the policy include:</p> <ul style="list-style-type: none"> • Removal of the rural fire activity as we are no longer involved in this. • Change to the way the funding splits are described – now in percentage bands rather than a set percentage. The policy provides “funding bands” for how each activity is funded, i.e. amount of rates, subsidies, users fees, borrowing and other. • Priority order added for funding of capital expenditure. <p>We do not consider the changes to be significantly different from the existing policy. You can find the full draft policy on our website to read and submit feedback as part this consultation.</p>
OPTIONS	The draft Long Term Plan and supporting documents (required by legislation) have been prepared based on the proposed amended policy. Therefore there is only one practicable option, which is to comply with legislation and adopt the proposed amended policy.

RESOURCE MANAGEMENT ACT FEES

THE ISSUE	We are required by legislation to consult on fees which are set under the Resource Management Act 1991.
WHAT IT MEANS	The proposed fees for 2021/2022 can be found on page 35. There have been some significant increases to the planning fees to meet the funding requirements of this activity under our Revenue and Financing Policy. It is noted that the fees listed are deposits only and anything owing above this will be invoiced based on actual costs incurred.
OPTIONS	Our current fees do not comply with the funding requirements for this activity under our Revenue and Financing Policy. Therefore there is only one practicable option, which is to comply with legislation and adopt the fees for 2021/2022 as proposed.

TRANSFER OF FLOODWALL ASSET TO WEST COAST REGIONAL COUNCIL

THE ISSUE	The Greymouth Floodwall is a strategic asset which is currently under ownership of the Grey District Council. It is proposed to officially transfer ownership of this asset to the West Coast Regional Council during year 1 of the plan for the reasons outlined below.
WHAT IT MEANS	<p>The floodwall structure has been a strategic asset under ownership of the Grey District Council due to a historical decision and currently all costs are paid by the West Coast Regional Council, including insurance, maintenance and renewal costs. They also rate for the floodwall and make all operational decisions with regards to it. Therefore it is logical to transfer ownership of the structure to the Regional Council.</p> <p>There is a Joint Floodwall Committee set up to help manage the asset - Grey District Council have representation on this committee. The asset transfer will not change this arrangement. No conflicts of interest regarding the proposed transfer have been identified. There are no financial implications for Grey District Council as currently it is just a line in our accounts as an asset.</p>
OPTIONS	There is only one practicable option and that is to transfer ownership of the asset from the Grey District Council to the West Coast Regional Council. It is not considered practicable for the asset to remain on our register given we have no direct financial or operational control over it.

Audit opinion

AGENDA COPY ONLY
SUBJECT TO CHANGE
DUE TO BE ADOPTED 14 APRIL 2021

Audit opinion

AGENDA COPY ONLY
SUBJECT TO CHANGE
DUE TO BE ADOPTED 14 APRIL 2021

SUBMISSION FORM



Please read the Consultation Document and/or the Draft Plan before providing your feedback. Once you have completed this form, you can return it to Council by **5pm Monday 17 May 2021** to:

- Email to submissions@greydc.govt.nz
- Post to Grey District Council, PO Box 382, Greymouth 7840
- Deliver to Grey District Council, 105 Tainui Street, Greymouth

SUBMITTERS DETAILS

(Note: Every submission made to the Council will be acknowledged in accordance with the Local Government Act 2002, copied and made available to the public.)

Name: Mr / Mrs / Miss _____

Organisation (if any): _____

Do you wish to speak to Council at the meeting in support of your submission? ☐ Yes ☐ No

Address: _____

Phone: _____

Email: _____

FEEDBACK ON KEY & OTHER ISSUES - Please indicate your preference by ticking the below boxes.

KEY ISSUE 1:
Extension of
kerbside refuse
and recycling
collection to all of
Greymouth

- ☐ **OPTION 1:** Extend area. [PREFERRED OPTION]
☐ **OPTION 2:** Don't extend area, i.e. status quo.

KEY ISSUE 3:
Delivery of Spring
Creek Pool Ser-
vice

- ☐ **OPTION 1:** Spring Creek Pool is no longer a Council provided service. [PREFERRED OPTION]
☐ **OPTION 2:** Council continue to provide the service - funded by a targeted rate.
☐ **OPTION 3:** Council continue to provide the service, i.e. status quo.

KEY ISSUE 2:
New Library

- ☐ **OPTION 1:** A new purpose built library on freehold land. [PREFERRED OPTION]
☐ **OPTION 2:** Don't proceed with building a new library, i.e. status quo.

KEY ISSUE 4:
Runanga
Service Centre
and Community
Library

- ☐ **OPTION 1:** Runanga Service Centre is no longer a Council provided service and the building is disposed of. [PREFERRED OPTION]
☐ **OPTION 2:** Continue to provide the service (status quo) – funded by a targeted rate.
☐ **OPTION 3:** Continue to provide the service (status quo) – funded by general rate.

OTHER MATTERS FOR CONSULTATION

Revenue and Financing Policy Do you agree with the proposed changes to the policy?

☐ Yes ☐ No

Resource Management Fees Do you agree with the proposed fees for 2021/2022?

☐ Yes ☐ No

Transfer of Floodwall Asset to West Coast Regional Council Do you agree with the proposed transfer?

☐ Yes ☐ No

Please provide any comments you have on any of the above or anything else you wish to provide feedback on in the section below.

Your comments:

PROPOSED FEES UNDER RMA

Planning		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
All fees listed are <u>Deposits</u> . Balance of charges will be charged at the rates specified				
Subdivisions				
Boundary Adjustments	deposit only	\$471.50	\$684.00	45.10%
Non-notified (2 - 5 lots)	deposit only	\$800.00	\$1,160.00	45.00%
Non-notified (6 - 10 lots)	deposit only	\$1,529.00	\$2,217.50	45.00%
Non-notified (11+ lots)	deposit only	\$2,077.00	\$3,012.00	45.00%
Public notification - subdivision	deposit only	\$1,329.50	\$1,928.00	45.00%
s224 - without inspection	deposit only	\$306.00	\$444.00	45.10%
s224- with one inspection	deposit only	\$471.50	\$684.00	45.10%
s226 certificate	deposit only	\$598.50	\$868.00	45.00%
Other certificates (e.g. s223)	deposit only	\$172.50	\$250.50	45.20%
Esplanade reserve reduction/waiver	deposit only	\$556.00	\$806.50	45.10%
Reapproval lapsed consent	deposit only	\$598.50	\$868.00	45.00%
ROW/Easement amendments	deposit only	\$422.00	\$612.00	45.00%
Land Use Consents				
Hazardous substances	deposit only	\$666.00	\$966.00	45.00%
Signs	deposit only	\$598.50	\$868.00	45.00%
Relocated buildings	deposit only	\$471.50	\$684.00	45.10%
Bulk & locn/recession plane/setback	deposit only	\$507.50	\$736.00	45.00%
Heritage	deposit only	\$471.50	\$684.00	45.10%
Non-rural/residential activities	deposit only	\$1,000.50	\$1,451.00	45.00%
Utilities	deposit only	\$598.50	\$868.00	45.00%
Vegetation clearance	deposit only	\$556.00	\$806.50	45.10%
Sub-sized lots	deposit only	\$933.50	\$1,354.00	45.00%
Limited Notification - Land Use*	deposit only	\$933.50	\$1,354.00	45.00%
Public Notification - Land Use*	deposit only	\$1,397.00	\$2,026.00	45.00%
* Notification fee is in addition to deposit for consent type				
Plan Changes				
District Plan Changes - major	deposit only	\$14,992.50	N/A	
District Plan Changes - minor	deposit only	\$7,500.50	N/A	
Other				
Designation/Heritage Order	deposit only	\$3,027.00	\$4,389.50	45.00%
Alteration of designation	deposit only	\$1,213.50	\$1,760.00	45.00%
Certificate of compliance	deposit only	\$306.00	\$444.00	45.10%
s357 objection	deposit only	\$459.00	\$666.00	45.10%
Consent variation - non-notified	deposit only	\$416.00	\$603.50	45.10%
Consent variation - notified	deposit only	\$793.00	\$1,150.00	45.00%
Permitted boundary activity (s87BA)	deposit only	\$306.00	\$444.00	45.10%
Deemed permitted activity (s87BB)	deposit only	\$479.50	\$695.50	45.00%
Outline Plan	deposit only	\$306.00	\$444.00	45.10%
Comments on Draft Applications/Pre application advice (note first HALF HOUR free then staff hourly rates)		staff hourly rates	staff hourly rates	
Consultants/Peer Review		\$198/hour (not more than)	\$202/hour (not more than)	2.00%
Legal advice		\$396/hour (not more than)	\$404/hour (not more than)	2.00%
Hearings - Commissioner		\$1,665/day (not more than)	\$1700/day (not more than)	2.10%
- Facilities		\$208.50/hour (not more than)	\$213/hour (not more than)	2.20%
Monitoring Levy	flat fee paid upon granting of land-use consent	\$135.00	\$150.00	11.10%
Resource Consent Monitoring of Conditions		staff hourly rates	staff hourly rates	
Administration - Charge Out Rates		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Management/CEO		\$178.00	\$200.00	12.40%
Engineers		\$143.00	\$160.00	11.90%
Engineering Assistants/Officers		\$114.50	\$140.00	22.30%
Planners		\$143.00	\$160.00	11.90%
Building Officers		\$143.00	\$160.00	11.90%
Environmental Health Officers		\$137.50	\$160.00	16.40%
Compliance Officer		\$121.50	\$160.00	31.70%
Animal Control Officer		\$121.50	\$140.00	15.20%
Administration/Customer Service Officers		\$86.00	\$120.00	39.50%
Maintenance Officer			\$60.00	NEW

Fees and actual time hours are recoverable from applicants and exacerbators