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Grey District Council

2021-2031 Long Term Plan

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PART A: Introduction and Summary

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Message from the Mayor and CEO

We are pleased to present to you our Draft Long Term Plan for 2021-2031.

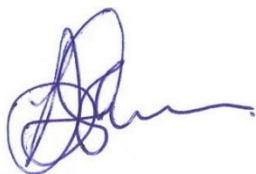
It has taken much time, effort and thought to create this document and the documents that support it for the next decade. We have valued your input through our discussions with you prior to Christmas regarding Your Ideal Grey District. Please read this document and come along to one of our informal drop in sessions during April and May. Take this opportunity to have your say and make a submission – this plan is for you, our community.

The plan recognises the need to change. Too often in the past, decisions were made to maintain low rates at the expense of maintaining our infrastructure. This is reflected in the high levels of deferred renewals for stormwater, water and roading specifically bridges. We manage on your behalf 648km of roads and 522km of water, sewer and stormwater pipes, a library, a recreation centre, hectares of park land and reserves, landfill, public toilets and more. All of these activities have been considered when developing our plans.

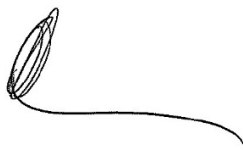
Our plan requires a significant rate rise of 9.99% in the first year. Approximately 3% of this increase relates to the reduced rate increase last year due to Covid-19, as well as addressing past Council decisions to undertake projects and utilise reserves that now need to be funded from rates. Going forward it is proposed to set the rates increase at 6% for the nine years until the end of the plan.

We propose these rates increases to rebalance our reliance on debt, create appropriate levels of reserves for future asset replacements beyond the life of this plan and fund capital programme/deferred renewals of \$131m over the next 10 years.

We thank you for taking the time to read this document.



Tania Gibson
MAYOR



Paul Morris
CHIEF EXECUTIVE

Key Council contact information

Council contacts



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Banker



Westpac

Auditor



Audit New Zealand, Christchurch
on behalf of the Office of the Auditor General, Wellington

Solicitor



Hannan & Seddon, Greymouth

Your Council

	<p>Tania Gibson</p> <p>Mayor</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Economic Development Aged Care Young People 		<p>Allan Gibson</p> <p>Councillor Eastern Ward/ Deputy Mayor</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Three Waters (Water, Stormwater, Sewerage) 		<p>Murray Hay</p> <p>Councillor Central Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Community Safety and Resilience 		<p>Tim Mora</p> <p>Councillor Central Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Climate Change (Zero Carbon, Forestry, Solid Waste)
	<p>Patrick McBride</p> <p>Councillor Central Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Community Facilities (Libraries, Cemeteries, History House) 		<p>Anton Becker</p> <p>Councillor Eastern Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Spatial Development, Finance Risk 		<p>Rosemary Green</p> <p>Councillor Northern Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Community Health and Wellbeing promotion 		<p>Peter Haddock</p> <p>Councillor Southern Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Transport
			<p>Rex MacDonald</p> <p>Councillor Southern Ward</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> CEO & Council Employer obligations, Disabled people 		<p>Francois Tumahai</p> <p>Kaiwhakahaere (iwi representative)</p> <p><i>Portfolios:</i></p> <ul style="list-style-type: none"> Community Identity 		

Key issues summary

Issue	Description	Options
Extension of kerbside refuse and recycling collection to all of Greymouth	<p>Council have included in their budgets to extend the service to remainder of the Grey District, except for Moana and Te Kinga. These two townships will remain on a refuse bag collection service due to the largely seasonal/holiday population - there would be no-one at the property during the week to put the bins out and many residents take their bags to the Moana Resource Centre as they need to.</p> <p>This will mean that all properties (except those in Moana and Te Kinga) 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.</p>	Extend the area <i>[Council's preferred option]</i> or don't extend the area (i.e. remain with the status quo).
New Library	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, a cafe and plenty of space inside to provide a current library service which fulfills the requirements of our community.	A new purpose built library on freehold land <i>[Council's preferred option]</i> or don't proceed with building a new library (i.e. remain with the status quo).
Delivery of Spring Creek Pool service	<p>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.</p> <p>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.</p>	<p>Options are:</p> <ol style="list-style-type: none"> 1. Spring Creek Pool is no longer a Council provided service (either handed over to another organisation to run or Council disposes of the facility) <i>[Council's preferred option]</i>; 2. Council continues to provide the service funded by a targeted rate; or 3. Council continues to provide the service funded by the general rate (i.e. the status quo).
Runanga Service Centre and Community Library	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.	<p>Options are:</p> <ol style="list-style-type: none"> 1. The Runanga Service Centre is closed and the building disposed of <i>[Council's preferred option]</i>; 2. Council continues to provide the service funded by a targeted rate; or 3. Council continues to provide the service funded by the general rate (i.e. the status quo).

About the plan

What is in the plan

PART A: Introduction

This section provides summary information about our District and an overview of the plan.

PART B: Council's Vision and Community Outcomes

Council sets out the vision and outcomes for the District from the engagement activities undertaken in the community.

The LTP then demonstrates how Council can contribute to the Vision and Outcomes through its activities. There are also many activities outside of Council's control that will contribute to this Vision and Outcomes included in this plan.

Community outcomes are the aspirations of the community as a whole, they describe what the community wants to achieve to the Ideal Grey District.

With recent amendments to local government legislation, Council is required to promote the social, economic, environmental and cultural wellbeing of the community. Our Council has taken an approach to focus on our contribution to the Vision and Outcomes that we have included under the four wellbeing headings. More details can be found in : PART B: Council's Vision and Community Outcomes.

All of Council's actions, activities and outputs are aimed at fulfilling the Vision and Outcomes from the Long Term Plan.

PART C: Council's Financial Strategy

An important part of this plan is explaining and discussing the financial strategy of Council. The purpose of this is to describe the overall financial 'direction' of Council and set out the implications/consequences of the financial 'direction'. This section includes Council setting a limit on rates and debt.

PART D: Infrastructure Strategy 2021-2051

Council must ensure that it gets as much value as possible from existing infrastructure assets and future investment in new assets. A key part of this is addressing a lack of accurate data about the actual condition of our assets, which will help Council to ensure effective, efficient and innovative management of assets and guide our investment in new assets.

PART E: What Council Does – reported by *Groups of activities*

An overview is provided for each group of Council activities, outlining the financial requirements, the major priorities and projects for each activity. It also outlines how Council is going to measure its financial and non-financial performance in achieving activity goals and how they link to Council's overall strategic direction.

Further detailed information in respect of the separate activities is contained in Activity Management Plans (these are public documents).

PART F: Council's finances and rating information

An overall forecast financial summary is given for the next ten years. This information is collated from the financial information for each activity described in the previous section. It also outlines the rates to be set for the 2021/2022 year and an indication of what rates rises would be for future years of the Draft Plan.

PART G: Other Information

This section provides an outline of the key Council policies and other relevant information required to assist with decision making and planning. There is also a schedule of the proposed fees and charges Council intends to set for the 2021/2022 year.

What is the Long Term Plan?

Councils have a requirement to produce a Long Term Plan at least once every three years. Our last plan was the 2018–2028 Grey District Long Term Plan.

This **Draft Grey District 2021-2031 Long Term Plan (Plan)** represents our effort to demonstrate Council's goals for delivery the various activities it is involved in and how we see the activities of Council contributing to the overall wellbeing of the district. The Plan covers a ten year period from 01 July 2021 to 30 June 2031 and explains what Council intends to do and what the cost will be. The final version will be the product of extensive public consultation including seeking public input on this original draft version.

The first year of the Plan (2021/2022) is also the Annual Plan for that year (ie there will be no separate Annual Plan produced for 2021/2022). The LTP will be updated and revised every three years, based on inputs from within the community. In the second and third years (until the next review) we will prepare an Annual Plan for each year.

Should any significant deviation from this Plan come up, a suitable amendment of this Plan will be consulted on.

What are activity management plans?

The information required to support and plan for the needs of each Council activity is vast. Therefore Council has Activity Management Plans for each individual activity delivered by Council. These provide the detailed analysis of all the relevant information, such as individual assets, required for each activity. Each Activity Management Plan therefore provides the foundation for the information that is presented in this plan. Each Activity Management Plan is publicly available on request.

Reporting on the plan

At the end of each financial year (30 June), an Annual Report is completed, outlining Council’s actual financial performance as well as those non-financial performance measures that Council uses to measure its achievement.

Resident Satisfaction Survey

Council commissioned Opinions Market Research Limited, an independent research organisation from Christchurch, to carry out the Grey District Resident Satisfaction Survey – the last survey was carried out in October/November 2020. This survey measures our residents’ views on a range of issues, particularly on satisfaction with Council performance in delivering services and providing facilities.

A quantitative telephone survey was conducted among a representative sample of 350 Grey District residents aged 18+. Initial random sampling was combined with quota sampling to ensure a representative sample was achieved. Quotas were set for age, gender and area according to the 2013 Census. The statistical margin of error for the total sample of 350 is ± 5.3% at a 95% confidence level.

Results from the 2019 Resident Satisfaction Survey have been included in this LTP as measures of some of our non-financial performance targets for the 2019/2020 year.

Full results from Resident Satisfaction Surveys are available on our website.

Your Plan – how you can have your say

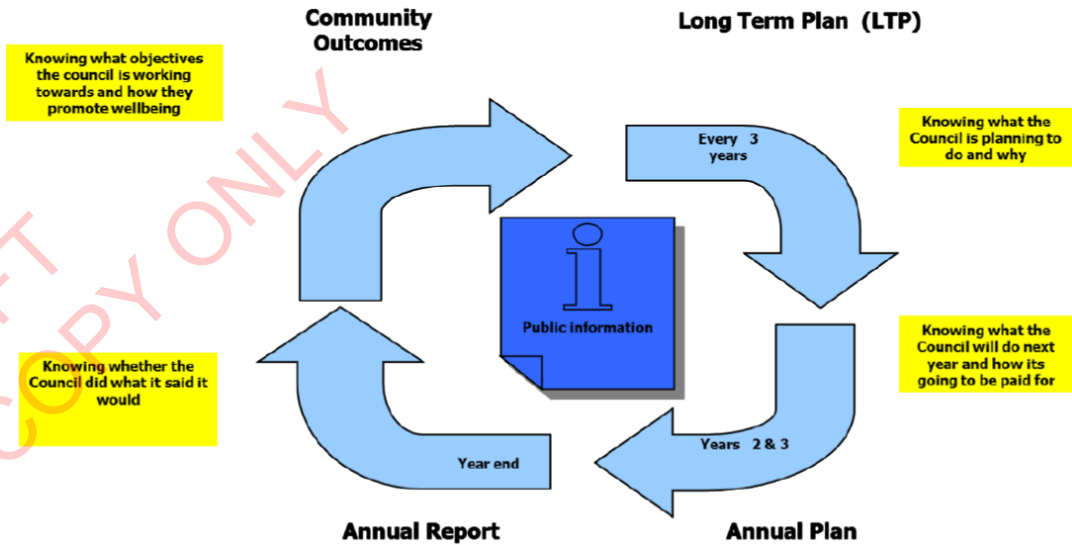
This Draft Plan should reflect the needs and wants of the community and it is most important that it gets as wide a public input as possible.

A Consultation Document summarising the key issues and options for the community to provide feedback on has been developed and is widely available from the Council website, Council offices and various other locations.

Council actively encourages its community to read and understand the Consultation Document, this full Draft Plan and associated Activity Management Plans and to have their

input on any changes, additions or omissions they believe Council should consider. We want our community to guide us on the future direction of our District.

Relationship between the Long Term Plan and other documents



Grouping of Council activities (Groups of Activities – GOA)

Council is involved in a wide range of activities, and to provide information on each in detail in this LTP would make it an even larger document than it is. We therefore group our activities (Group of Activities – GOA), using the following criteria to decide on the most appropriate grouping:

- The proportion of Council's turnover the activity makes up, e.g. and activity such as roading represents a significant proportion of Council's turnover, and therefore this alone presents a good enough reason to report this activity on its own. Likewise an activity that has little financial impact may be more likely to be grouped in with others;
- How similar activities are to another, e.g. activities such as Swimming Pools and Libraries are often referred to as community assets, as whilst they make an important contribution towards our community as a whole they are not considered essential services like are roading, water supply etc. You will therefore see these type of activities grouped together in this Plan.

The graphic on the following page shows how our activities are grouped for this plan. There have been some changes made to our groups of activities from how they were grouped in the 2018-2028 Long Term Plan. A summary of the changes is as follows:

- Emergency Management has been incorporated into Environmental Services and the separate Emergency Management group has been removed.
- The activities previously under Property & Housing have been redistributed and the separate Property & Housing group has been removed.
- Community Facilities and Events has been renamed Community & Recreation.
- Other Transport has been renamed Commercial & Property.

Council's group of activities

1	Land Transport	Includes roading, footpaths & cycleways
2	Stormwater	Stormwater
3	Wastewater (sewerage)	Wastewater
4	Water Supply	Water supply
5	Solid Waste	Refuse & recycling collection, refuse disposal & recycling
6	Environmental Services	District planning, building control, animal control, health regulation, liquor licensing, regulatory enforcement, emergency management
7	Commercial & Property	Aerodrome, parking, Port, Council property (commercial), Council property (operational), retirement housing
8	Community & Recreation	Libraries, swimming pools, museum operations, culture, heritage & arts, indoor sports centres, cemeteries, parks & reserves, in-house task force, public toilets
9	Democracy & Administration	Council administration, elected members, economic development, events

PART B: Council's Vision and Community Outcomes

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How Council determined the vision and outcomes

In February and March 2020, Council engaged significantly with the community about what they would like for their **Ideal Grey District**. This question was designed to enable a strengths-based approach, as opposed to an issues-based approach. We wanted the community to see what they wanted for the future, as opposed to what they thought was wrong with the district.

Throughout the engagement period, we were able to speak with a diverse range of people in the community. This included: High School Students, Primary School Students, Community Service Organisations, Rural Communities, Council and the disabled person's sector. We also held various pop-up sessions at events in the Town Square, Cobden and the Grey District Library.

One of the highlights was the Kids Art Competition where we asked different age groups about what made Greymouth great. The judging and prize giving event for this was the last event that Council was able to hold prior to the Covid-19 Lockdown that took place.

With over 500 comments received, we worked to prioritise these into theme areas. We noticed that the community had quite a focus on the economy of the district, especially wanting to see the economy improved through good infrastructure, facilities and better employment. Many of the comments focused on the CBD area and what could or should be done to improve this. Overall the comments tended to focus on small matters and improvements so, it was decided to theme these around the four community wellbeing outcomes. Once we themed

the comments, it was clear on what the community wanted to see happen in the district under the four community wellbeing outcomes.

Council felt it was important to make the vision and outcomes as bold and simple as possible. These have come directly from our community and it is essential that they reflect the conversations that we have had. We feel by making the statements bold and simple, that our community can easily identify with these. We also hope that in addition to this, it will assist in Council partnering for solutions which will enable this vision and outcomes to come to life in our district.

How we will work to achieve the vision and outcomes

Making progress towards achieving the vision and outcomes will need to be a collective effort between Council, community, government and non-government agencies. The Council may be able to contribute by collaborating with the community, brokering, advocacy, lobbying central government or forming partnerships with government and non-government agencies. This would mean taking a collective impact approach and one of the benefits of working this way is that it we can pool resources and ideas and tackle complicated problems to bring about positive change that is very difficult for any one group on its own.

Council is looking forward to exploring and partnering on some of these options with other providers in the future.

Our vision and community outcomes are detailed over the page.

Thriving, Connected and Resilient Grey District

ECONOMIC

STRONG
DIVERSE
SUSTAINABLE
PROSPEROUS

SOCIAL

SAFE
INCLUSIVE
CONNECTED
ENABLED

CULTURAL

PROUD
UNIQUE
INTER-CONNECTED
VIBRANT

ENVIRONMENT

BOLD
PRACTICAL
RESILIENT
STRATEGIC

THE GREY DISTRICT HAS:

- The necessary infrastructure that will support the economy and maintain resilience.
- Collaborating organisations, businesses, industry, and community for positive outcomes.
- A strong, obtainable and prosperous vision of the future.
- Connections and engagement between Council, businesses and the community.
- A focus on ensuring innovation and connectivity.
- Safe roading, footpaths and community areas.
- Quality facilities that are inclusive, community focused and forward looking.
- A connected, supportive and engaged community and Council.
- A community that is valued, united and strong.
- Effective measurement mechanisms and an understanding of our strengths, weaknesses and wellbeing.
- Enduring relationships with local Maori, our neighbouring districts and significant stakeholders.
- Respect and recognition for the place of Maori.
- A connection with its diverse, unique and colourful history.
- A positive image within and outside of the region.
- Access to participation in a wide range of recreational, sporting, leisure, art and cultural activities.
- A sensible and considered approach to the issue of climate change and its effects.
- An abundant supply of water available to the community that meets or exceeds all available health and quality standards.
- A sustainable response to our land and natural features and resources.
- A commitment to providing green spaces and places throughout the Central Business District and beyond.
- A commitment to our future generations and their wellbeing.

PART C: Financial Strategy

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1 Strategy focus

Council is involved in a wide range of activities that each have their own unique funding requirements and challenges. You can read more about the groups of activities we are involved in Part E: What Council Does – Groups of Activities.

This financial strategy sets the overall direction for the Council's finances over the next ten years. It also outlines the key issues that Council has considered when setting the financial parameters of funding sources and how the funds raised are used.

Any decisions by Council have an impact on the future, so a key part of this Strategy is to highlight possible future implications of decisions made by Council.

2 Context and strategic issues

The following commentary provides context to the financial planning undertaken by Council and outlines the specific strategic issues affecting the Grey District.

Please also refer to the Significant Forecasting Assumptions.

2.1 Future proofing our finances

In previous years Council's financial goals have included a focus on keeping rates low to help lessen direct costs to our community. 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 effectively a one-off reduction in direct recognition 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, particularly in our stormwater and bridge networks. In other cases we have used reserves to pay for activities

and while this cushioned short term rates impacts on our community, it has meant that our reserve funds are reduced.

Council is now proposing to refocus its budgets on managing prudently for the future. This includes 'catching up' on underfunded programmes from last year's temporary reduction and operational activities previously funded from reserves, accurate budgeting 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). It also means funding increased renewals of our older stormwater pipe and bridge networks to reduce the risk of failure and avoid significant costs in future.

We also plan to reduce borrowing, and set funds aside to build up reserves to prepare for emergencies, future projects and necessary maintenance and renewal works, such as the Westland Recreation Centre.

Council believes that by doing this now it is taking a prudent and responsible approach and will avoid issues compounding over time.

2.2 Three Waters management and reform

Central Government is currently working with all Councils through a major review of how Three Waters services (drinking water, wastewater and stormwater) are delivered to our communities. A number of changes are likely to occur in how these services are delivered, over the term of the LTP. Changes in how they are regulated are also being worked through.

From 2022 onwards, there is likely to be a new regional entity responsible for delivering water supply and wastewater services in the Grey District and wider region. Stormwater will likely follow at a later date. At the time of preparing this strategy however, there is no specific proposal or format for any new entity around which community consultation can take place.

Until this is further developed, Council has assumed that it will deliver these services over the life of the LTP, while acknowledging that this assumption has a high degree of uncertainty. We note that our community will need these services, whether they are delivered by the Council or not. Council has therefore continued to plan for these activities, and this is reflected in our strategies and plans.

In recent years Council has spent a considerable amount of money on some of its assets (both new capital projects and replacement of existing assets, such as wastewater treatment and water supply upgrades). Part of the Government's current reform of three waters services includes an economic stimulus package in

water infrastructure. Council has accepted a grant from the Government which will be spent on additional upgrades and improvements of these assets and services. The projects are planned for completion in Year 1 of the LTP.

Following completion of those projects, an upgrade of the UV treatment for wastewater is planned, but no further large amounts of money over the next 10 years are to be spent on our water supply and wastewater assets, barring emergencies or changes in standards, ie Drinking Water Standards. Our key priority is to address deferred renewals in our stormwater assets, to reduce the risk of failures in the network.

More information on our plans with regards to infrastructure can be found in PART D: Infrastructure Strategy.

2.3 Covid-19

The Covid-19 pandemic has caused major disruption to life and economic activity around the world. The pandemic has drastically altered the economic outlook here and abroad, and Governments continue to respond with a range of health-related and economic support measures. At present there is ongoing uncertainty around the management of Covid-19 and its long term effects, but there are also some factors that will help our district to be resilient as we look to recover.

Council will continue to explore opportunities and access available funding from government economic stimulus packages for water infrastructure and other growth funds. Council will use available stimulus funding on improving services to our community and businesses. This includes 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.

2.4 Council debt

We have borrowed a moderate amount of money over the past few years for new infrastructure. Council's debt has increased from \$5.6 million in 2015 to \$33.9 million by June 2021 (estimated).

This plan includes borrowing for a number of projects including capital expenditure on the development of a new cell at McLeans Pit landfill, a new heavy vehicle access to the Port, Stormwater additions and short term borrowing for the new district library building to replace the current facility (part construction cost only –

the balance is being funded by rates). We also plan to repay debt within the term of the LTP, from Year 9 onwards. This includes debt related to the Port and the Westland Recreation Centre.

There is capacity to borrow within the existing limits if required for unforeseen events or emergencies. Some examples where we would consider increasing our debt includes:

- Unforeseen infrastructure works, ie critical failures.
- Sudden changes in standards we must comply with, ie increases in Drinking Water Standards.
- Emergencies, ie natural disasters etc.
- Smoothing the financial impact of large renewal expenditure, e.g. urgent or costly bridge replacements.

Renewals and operating expenditure are not funded by new borrowings, apart from the following exceptions:

1. Roothing bridge renewals. Individual bridge replacements can be costly for the larger bridges, and in some cases, the cost of one bridge replacement can exceed our total renewal budget for all of land transport. In these cases Council will loan fund the cost, repaying the loan over a relatively short period (i.e. less than 10 years). This is to spread the cost over a few years, smoothing out the rate revenue required from year to year.
2. Port operating deficits. This Plan changes the existing strategy of funding the port deficit through short term borrowing. For many years Port deficits were funded via proceeds from land sales and no direct rate revenue input. With the proceeds from sale of land being a diminishing resource, Council was required to address the issue by introducing a rate revenue input into the Port, as well as increasing the revenue input of Port users. Over the life of this Plan, in the short term, the deficit is funded from short term borrowing, until year six where rate funding is increased and by year 10 the port debt will be fully repaid with the expectation that moving forward the port will be fully funded via rates and user charges.

Overall debt levels will increase in the next eight years from an estimated \$33.9m in 2021 to \$42.6m in year 8 and reducing to \$29m by the end of year 10.

2.5 Static growth

Statistics NZ forecasts are for our population to more or less remain static over the period to 2028. However by 2043, Grey District is projected to see a population decrease by around 8%, to 12,600 people. Our population will also age significantly

over the next thirty years with a projected decline in all other age groups, including birth rates.

Overall growth in our District is low. There are no significant changes in land use expected over the period of the LTP. There may be minor changes in rural and rural-residential areas where limited growth is occurring, although these are areas where Council does not supply significant infrastructure services.

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 the region. Following extensive public consultation the Plan will identify new zones for growth and development, as well as identifying areas where growth should not occur (such as areas subject to natural hazards). This planning is likely to take a number of years, with changes not likely to take effect until late in the LTP period. Council will remain actively involved as the process develops, given its significance for our community and for future strategic and infrastructure planning.

More information on growth and development in the District can be found in PART F: Significant Forecasting Assumptions.

2.6 Addressing our 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. 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 to 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.

2.7 Vulnerability to natural hazards and climate change

The Grey District, being close to the sea and the Alpine Fault and in a high rainfall zone, is susceptible to natural hazards such as flooding, earthquakes, tornados and more. The impacts of natural disasters can be significant and impose substantial unbudgeted costs on the Council. Council is also aware of the potential effects of climate change on the District's physical and built environment, Council's activities

and service delivery, and on the wellbeing of our communities. More information on this can be found in PART F:2: Key assumptions applied in the preparation of this Plan.

2.8 Deferred renewals

As signalled in our Infrastructure Strategy, we are putting more focus on addressing deferred renewals in our Stormwater and Land Transport activities at a more rapid pace than previous. Failure to address these could have serious implications, both financial and impacting on the service provided.

It should also be noted that whilst we are addressing the backlog of renewals, it will still take many years to fully remedy the problem and in the meantime Council and the community will carry some risk in the form of failures, increased maintenance costs, potential impact on levels of service provided etc. Please refer to PART D: Infrastructure Strategy for more details.

2.9 The world around us

Like most of New Zealand, the Grey District is influenced by external factors – national and international, environmental, economic and political. The significant effects of the current global pandemic and resulting economic uncertainty have been felt locally as well as nationally. Future changes in interest rates, international markets and legislation, natural hazards and climate change all have the ability to impact on the Council's finances.

2.10 Running at a deficit

Previously Council has reported some reasonable surpluses over the last several years. However, when you take away the large subsidies and grants for capital projects, Council has actually been running at a deficit some years. This is not a major concern in the short term but Council has addressed this issue in the Plan with only budgeting for a deficit in year two.

3 Financial goals

The Council's goals for managing its finances are outlined in the following table. These financial goals have been set to reflect where the Council wants to be in 2031 and they focus on the following:

1	Rates revenue set to meet Council and community needs. <i>Setting rates at a level that enables Council to practice prudent financial management by addressing significant issues, e.g. deferred renewals, funding future projects and reducing annual rates deficits.</i>
2	Decrease debt over the life of the Plan. <i>Borrow for significant projects to take advantage of current low interest rates with the overall goal of decreasing debt over the life of the plan. Savings on finance costs will then be used towards operational costs or increasing reserves over the life of this Plan.</i>
3	Retain capacity to borrow for unforeseen events. <i>For example, natural disasters. Debt levels to be kept within our policy limits.</i>

Why do we have these goals?

The specific goals we are proposing for the next ten years sit within our overall approach to long term financial management. We aim to:

- Manage and fund Council's community and infrastructure assets to maintain current levels of service, or where there is increased demand for services, to meet community expectations;
- Borrow short term for new capital expenditure in Community and Recreation, and reduce overall debt over at the end of the plans life. The intention is to reduce the burden of interest rate expense on the rate payer therefore enabling Council to begin to increase reserves to prepare for future capital expense;
- Ensure rates are set at a level that enables Council to function in a way that meets its communities needs and deliver appropriate services, without the need to borrow significant long term funds in the future.
- Maintain the current prudent financial management while providing good quality levels of service to both current and future generations.

This financial strategy is aimed at responding to the needs of the community in responsible way, while ensuring long term stability of rates by forward planning for major capital expenditure including renewal and replacement of existing assets.

Our strategy for meeting these financial goals is outlined in the next section.

4 Our Strategy

This section outlines Council's strategy for meeting its financial goals and addressing its strategic issues.

4.1 Rates

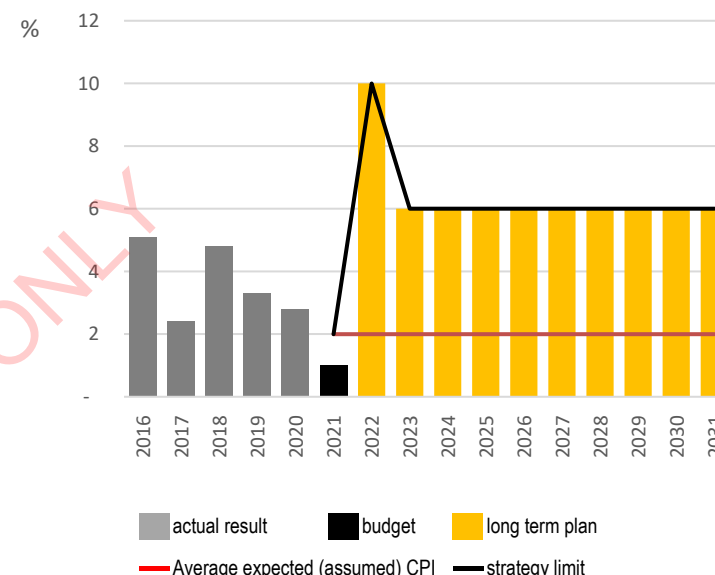
The challenge for this Council and community is to raise enough revenue to meet the current cost of providing services to the District and keep the Council in a sound financial position to face any challenges in the future.

This is particularly challenging in Year 1 of the LTP, where the proposed rates increase is 9.99%. This one-off increase is needed to make up for the reduction in rates income from last year, where Council sought to soften the immediate impacts of Covid-19.

From Year 2 onwards, Council proposes to keep rates rises at a level that allows it to address significant issues in deferred renewals, build up reserves for future projects, important community assets and emergency funds and ensure it meets increased legislative requirements and standards. While Council has budgeted prudently in the Plan, our proactive approach means that the headline rate increase for the next ten years will be higher than rate increases have been in previous years. We are confident, however, that this will put the district in a stronger position to meet the needs of our current and future communities.

All of the proposed average rate increases are within Council's policy limit of 9.99% in Year 1 and a maximum of 6% for Years 2-10, as demonstrated in the following graph:

Figure C-1: Rate increases



The increase in rates is required to:

- Year 1 Fully funding Rooding 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% to help reduce the expected rate rise for 2020/21. 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 Increase Stormwater renewals to address increasing deferred renewals. Increase costs of expanding the recycling collection to the wider district.

Year 3	Repayment of Loan funding for Roothing used in 2020/21 to lower rate increase due to COVID-19.
Year 4	Lump sum increase in renewals for stormwater to reduce deferred renewals.
Year 5	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	Design and initial stages of Construction of the new Library facility.
Year 7	Construction of the new Library facility (part of the construction cost will be funded by debt).
Year 8	Increase in Stormwater renewals of \$50k per year to address deferred renewals. Construction of the new Library facility.
Year 9	Repayment towards short-term debt used for building of the new Library facility, fully funding Port Operations via rates and user Charges.
Year 10	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.

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

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

Note: The impact of any proposed rate rises will vary from property to property depending on the value of the property, what the property is used for and what targeted rates are applicable.

Figure C-2: Total Rate Revenue

Taking into account the strategy limit of rate increases to be no higher than 6% per annum from year two, the following graph illustrates total forecast rate revenue compared against the upper limit.

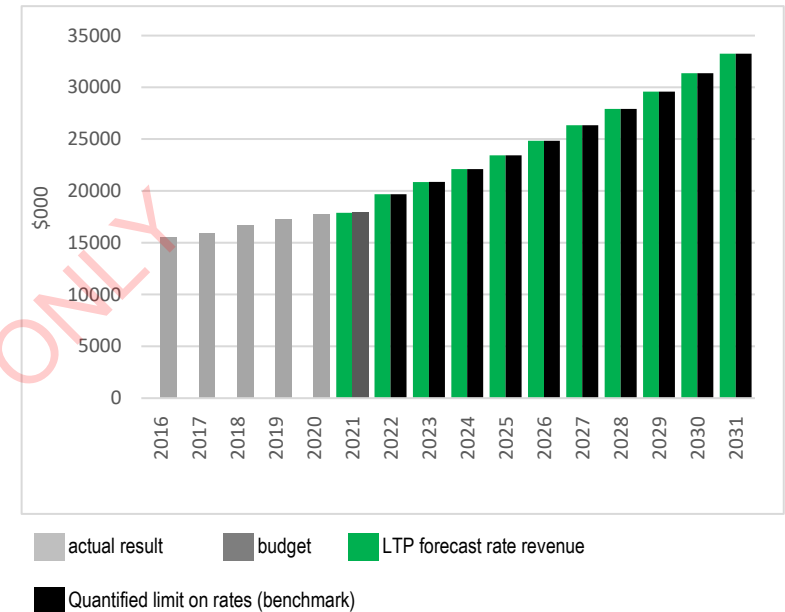
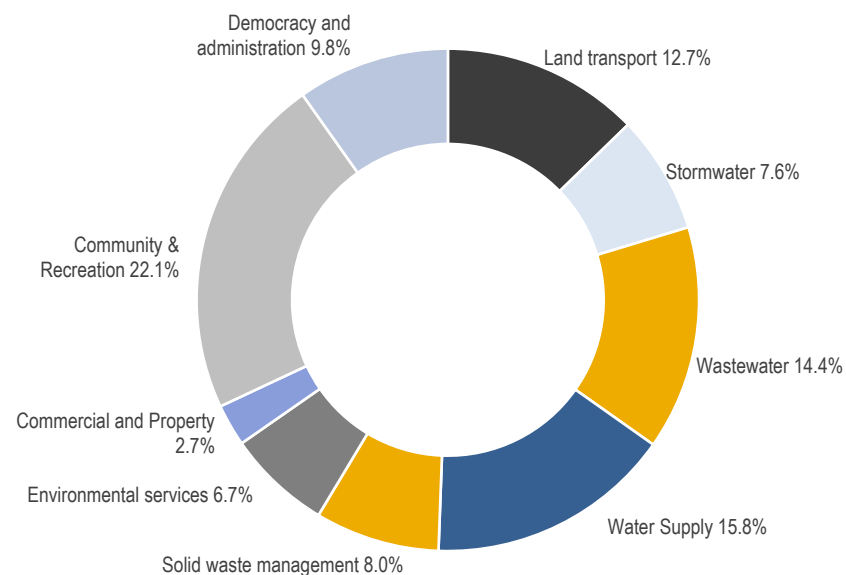


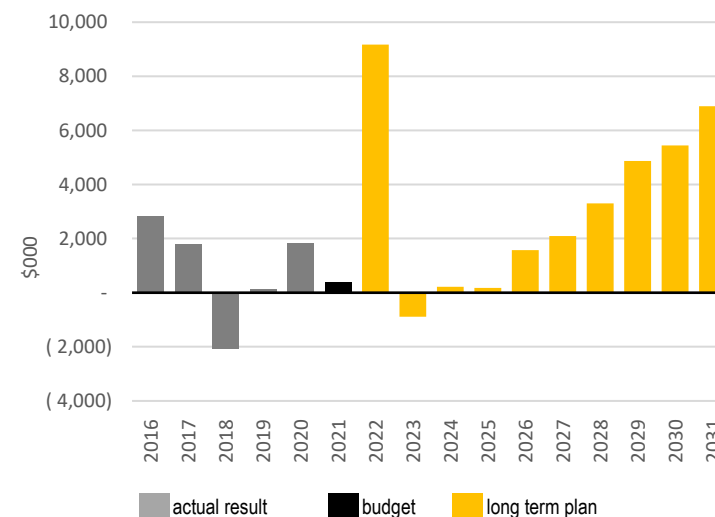
Figure C-3: How your rates are spent – total rates revenue 2022 - 2031

4.2 Reducing Annual Rates Deficits

Previously despite some recent actual financial results being an operating surplus for Council, when we exclude one-off capital grants the result would have been a deficit. Over the life of the Plan only year two is forecast as the result being a deficit over the remaining year of the Plan council has forecast a surplus.

These deficits are a result of Council not raising enough revenue to cover all expenditure, namely depreciation (refer to previous explanation of depreciation).

The following graph summarises the deficit surpluses for the life of the Plan.

Figure C-4: Council surplus/deficits – excluding one off grants for Capital Expenditure**Figure C-5: Council actual surplus/deficits**

In order to achieve a more consistent surplus over the life of the plan we have prioritised activities where additional funding is assessed as being more critical, namely

- Stormwater
- Land Transport
- Port

Other activities will continue to run in deficit, notably

- Westland Recreation Centre
- Water Supply
- Wastewater

We discuss each of these further below.

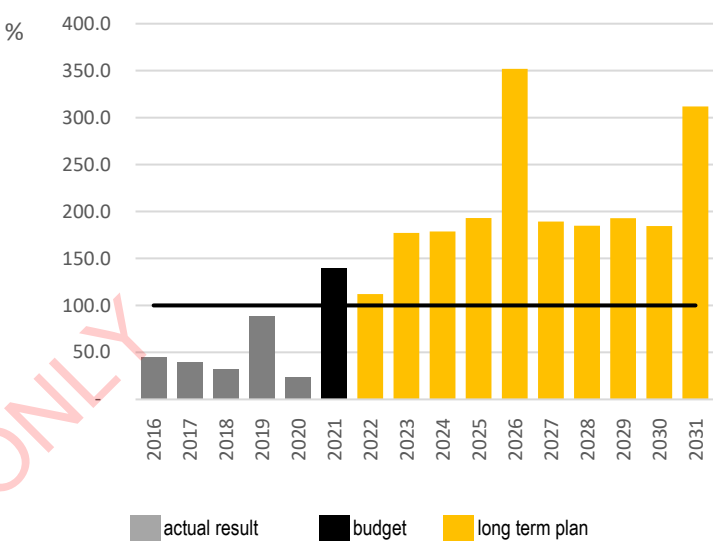
Stormwater

The 2018-2028 LTP addressed the annual deficit for this activity by previously increasing rates input every year for the purposes of addressing the renewals backlog. This plan instead at year 2 increases the level of stormwater renewals to a level that fully funds the renewals moving forward. Year 5 has a one off boost for renewals, then from year 6 Council is planning on increasing rates input to this activity to address deferred renewals by the amount of \$50,000 per annum, year on year, ie cumulative increases. It is noted there are pockets of significant deferred renewals in parts of the District and some areas are serviced by a reduced capacity reticulation, thus increasing the risk of flooding and damage to properties and businesses.

The below graph demonstrates the current funding deficit of the activity and how this will move to a position of funding surplus by year 4. Council will, from there on, raise annual revenue (ie rates) at a greater amount than total annual expenditure to allow it to address the renewals backlog that has been created whilst the activity has been under funded.

Refer to the Stormwater section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities for more information.

Figure C-6: Depreciation funded for Stormwater activity



Land Transport

The financial assistance Council receives from the New Zealand Transport Agency (NZTA) has increased from 58% to the current rate of 63%.

There are 209 road bridges and large culverts³ and a further 13 pedestrian bridges in the Grey District maintained by Council. Some key points to note are:

- There are 16 bridges that are posted at less than Class 1 (less than 44 tonnes allowable total load). A further 9 bridges have been identified as needing to be assessed based on their condition. This represents 12% to the total 209 road bridges and large culverts.
- There are 4 bridges with speed restrictions to lessen the impact of loads on the bridge.
- Together with other key criteria, increased emphasis is being placed on condition and capacity assessments to determined bridge replacements and strengthening works.
- There are 48 bridges (23%) that do not have the capacity to allow high productivity motor vehicles (HPMV's) to cross.
- Nine structures have been identified for priority seismic strengthening work.

In 2020 the Government set up a number of economic stimulus funds available for infrastructure projects including transport. Council received stimulus funding for replacement of the following bridges over the next two years:

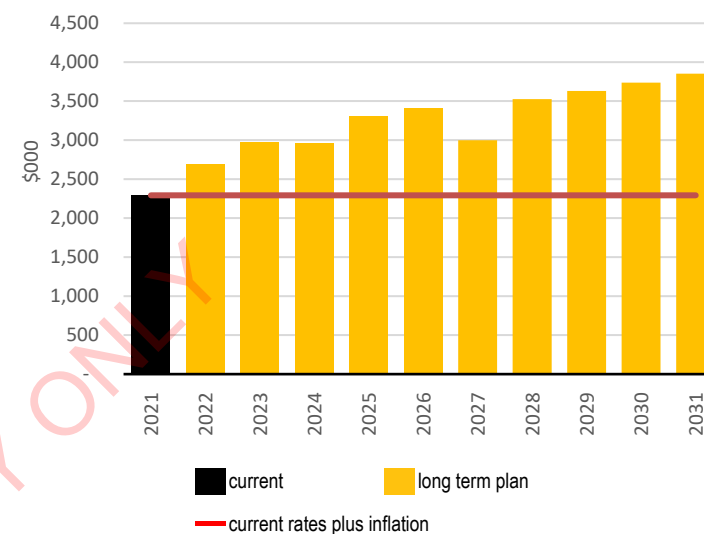
- Rough River Bridge – Atarau Road
- Moonlight Bridge – Atarau Road
- William Stewart Bridge – Taramakau River/Kumara Inchbonnie Road

Council is planning on increasing funding to this activity. The increased funding will be prioritised towards condition and service level renewals in bridges and pavement surfaces.

We have a number of bridges currently in our renewals programme. Works will be carried out over the next ten years as the funds become available, based on critical need and a prioritisation basis.

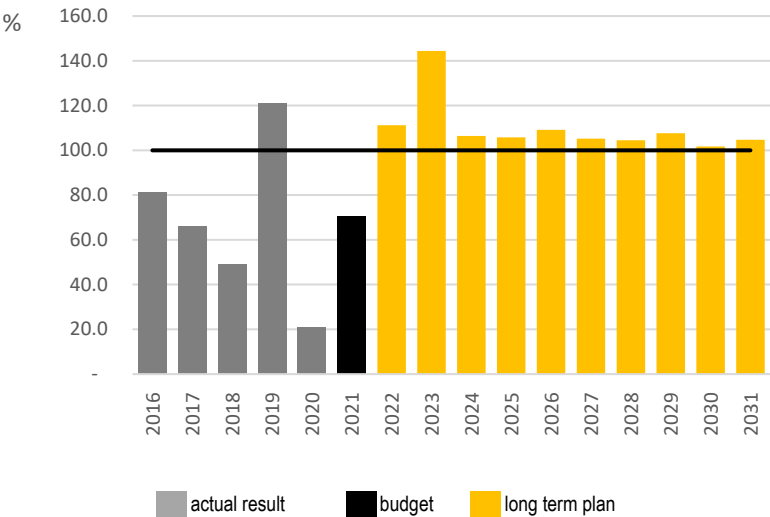
Several bridge replacements are signalled in our renewals programme. The proposed rate funding, relative to assumed inflation, is shown in Figure C-12.

Figure C-7: Proposed rate funding for Land Transport activity



Refer to the Land Transport section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities to see detail of timeframes for addressing the renewal backlog.

Figure C-8: Depreciation funded for Land Transport activity

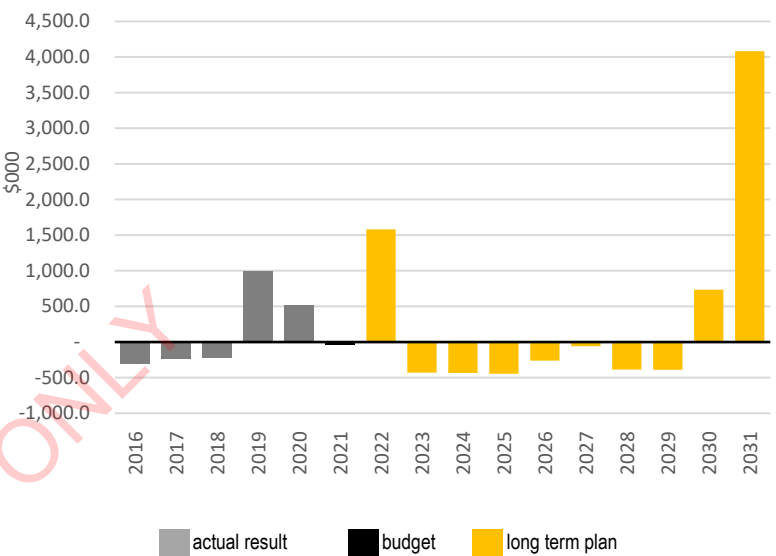


Port

For the last three Long Term Plans the Port has been signalled as a difficult challenge for Council and it continues to be so. The Port has run at a deficit for many years. Council has reduced its expenditure to what it believes is the minimum to still be able to operate, and has reintroduced rate funding to this activity to start addressing the Port deficits.

There has been significant investment in the port over the last 3 years with Council receiving government funding for a new dredge, Slipway renovations and renewal and replacement of some of the wharves with Floating Pontons. The capital funding associated with the building of the dredge created a surplus over the 2018/19 and 2019/2020 financial years.

Figure C-9: Port surplus/deficit



The funding for the slipway project will create a surplus in year 1 of the Plan, continue to run at a deficit from year 2 until year 8 of this Plan. From Year 9 rate funding is increased to repay the debt associated with the operating of the port funded from short term borrowing. At this point council will then fully fund the port operation through rate and user fee input. With the decreased burden of no longer covering the costs of financing the debt on the operation, the rates input should begin to decrease beyond year 10 of this Plan.

Council intends to continue rate funding to this activity. There is also an expectation of additional revenue from port users due to the introduction of the new slipway, of approximately \$10,000 per annum moving to \$15,000 per annum (plus inflation). This increase is a conservative figure given that the renovations to the slipway and the effect that this will have directly on port revenue is relatively unknown at present. This is because final plans for the area have not yet been completed.

The rates revenue input into the Port starts at the current amount of \$264,000 for years 1 to 4, with one off fluctuations in year 6 to 10 varying from \$436,000 to \$4,800,000 to enable the operating debt to be repaid over the life of the plan. User fee revenue increases from current amount of \$217,000 to \$319,000.

While this doesn't balance the books until later in the Plan, Council considers this to be a prudent approach. This is because in the long term there will be a reduction

in the operating costs of the port through a reduction of finance costs, which peak at \$172,000 in year 9. This will allow that money in the future to be put back in to the port operation, thereby reducing its reliance on rate input.

Refer to the Other Transport section in PART E: What Council Does – Groups of Activities for activity information.

Westland Recreation Centre

These facilities have, in recent history, been funded from a mix of external contributions (grants and fundraising) and ratepayer input. The ratepayer input is by way of a loan funded over 30 years on the facilities.

Because a large part of the funding of these assets is generated from external sources, Council is not fully funding the depreciation on the basis that to replace these assets will require either one or more of the following in the future:

- An increase in revenue from rates.
- External fundraising from grants/donations per the original funding.

Given the current community is meeting the ratepayer input and was responsible for the external fundraising (which does not show as on-going annual revenue), Council is signalling that the depreciation will not be fully funded and therefore the activity budget is not balanced.

We are signalling to meet all the anticipated maintenance and renewal costs, as well as existing loan repayment commitments associated with plant items at the facilities.

Our financial strategy is that any future replacement will be almost entirely funded externally (like the existing facility), ie through fundraising, grants, and donations.

Water Supply

Over recent years Council has upgraded a number of water supplies to meet current drinking water standards. Unless there are unforeseen changes to regulatory standards (resource consent conditions at water takes or drinking water standards) or the schemes do not continue to meet current consent conditions, no major upgrades are expected in the next ten year period. The one exception is for the Greymouth scheme, where Council is replacing the old reservoir with four new reservoirs throughout the Greymouth area. This work began in 2020/2021 and Year 1 of the Plan shows the remaining expenditure on completing the new reservoirs, funded via subsidies from the Provincial Growth Fund and a Three Waters review grant from central government. Council is fully funding the construction of one reservoir via borrowing.

Significant condition assessments have been undertaken for our water supply infrastructure. They show that parts of the existing water supply pipe network are nearing the end of useful life and the age profile assessments also indicate that there is a backlog of deferred renewals which will need to be addressed in order to maintain existing levels of service. In addition to pipes, in the next 30 years other components of the water supplies will also need to be replaced, such as pumps and electrical control systems.

Council intends to address this by increasing rate funding to this activity from Year 3 onwards so that we can carry out the required renewals on a prioritisation basis. Council has also allocated \$440,000 from the Government's Three Waters Reform stimulus funding to provide a one-off initial boost to the renewal programme in Year 1. Even with this investment, due to future renewals falling due on top of renewal backlogs, our Infrastructure Strategy identifies that is likely to take until about Year 24 to address the backlog in deferred renewals.

From 2022 onwards, there is likely to be a new regional entity responsible for delivering water supply and wastewater services in the Grey District and wider region. Stormwater will likely follow at a later date. At the time of preparing this strategy however, there is no specific proposal or format for any new entity around which community consultation can take place. Until this is further developed, Council has assumed that it will deliver water supply services over the life of the LTP, while acknowledging that this assumption has a high degree of uncertainty.

Refer to the Water Supply section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities for further information.

Wastewater

Council has invested heavily in wastewater infrastructure with the installation of a new separated sewer reticulation and treatment facility for the Greymouth scheme (\$38 million). Council has also completed the Taylorville, Dobson and Kaiata Scheme (\$7 million), which will utilise treatment capacity at the new Greymouth treatment plant. All treatment plants were designed and constructed to meet environmental requirements as set out within resource consents and respective standards.

Council has received subsidies towards the schemes, with the balance of the costs funded from a targeted rate on the benefiting properties (via loan repayments). Because of the subsidies, the local communities are not paying the actual total cost of the schemes (if they had to it would be unaffordable). As a result these activities generate an annual deficit as the depreciation expense reflects the full cost of the new assets.

The targeted rate levied to repay the loan raised to meet the project cost will be repaid over a 30 year period, which will be before the assets need renewing. At this stage the intention is that a large part of the targeted rate will continue so as to start setting aside funds for the future replacement. That is, the funding raised for loan repayments required over the next 30 years will, once the loans are fully repaid, continue to be raised and transferred to asset replacement reserves. In summary, it is forecast for the activity to return to a balanced budget in the medium term.

From 2022 onwards, there is likely to be a new regional entity responsible for delivering wastewater services in the Grey District and wider region. At the time of preparing this strategy however, there is no specific proposal or format for any new entity around which community consultation can take place.

Until this is further developed, Council has assumed that it will deliver these services over the life of the LTP, while acknowledging that this assumption has a high degree of uncertainty.

Deferred renewals

As part of the 2015-2025 Long Term Plan, Council commissioned condition assessments to be carried out on our wastewater network. While there are some deferred renewals in the Wastewater activity, deferred renewals in the water supply and stormwater activities are considered bigger priorities than wastewater at present. There is no planned increase in rate funding to this activity until year 7, where renewals work will receive additional funding.

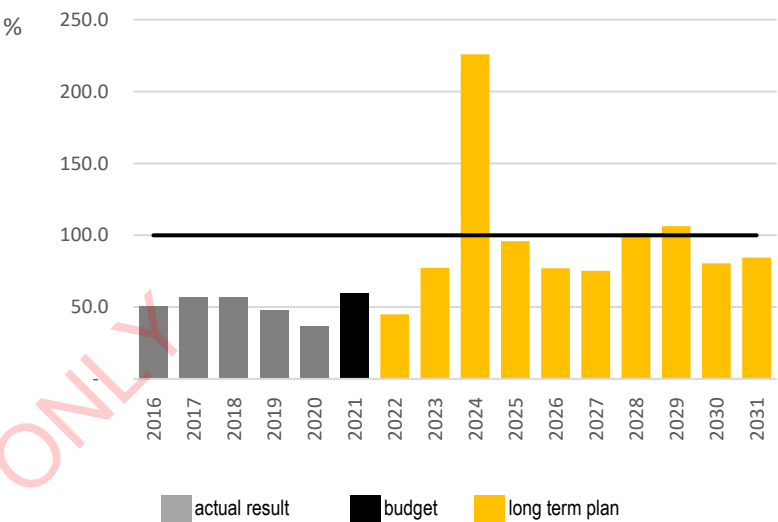
The profile of deferred renewals for Stormwater, Water Supply and Wastewater is detailed in the Infrastructure Strategy. This funding strategy will be reviewed periodically, at a minimum as part of each future LTP.

Runanga/Dunollie sewerage scheme

The Runanga wastewater network failed earlier than expected due to a combination of poor material and adverse ground conditions (ie high water levels). Major parts of the network require replacement.

These works continue to be addressed in this LTP, with the worst affected areas prioritised first.

Figure C-10: Depreciation funded for Wastewater activity



Refer to the Wastewater section PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities to see detail of timeframes for addressing any renewal backlog.

4.3 Debt

Council proposes to borrow to fund a number of significant projects over the term of the LTP. These include three waters infrastructure renewals and replacements, creating a new access for heavy vehicles to the Port of Greymouth, construction of a new cell at McLeans Landfill and the replacement of our library with a fit-for-purpose new building. More information on Council's proposals for these activities can be found in PART E: What Council Does – Groups of Activities.

Council's debt is expected 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 10-Year Plan to peak at \$42.6 million, with outstanding debt at year 10 to be at \$29 million. 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.

Council's approach is to reduce debt over the life of the plan, to allow Council to put funds previously allocated to servicing of debt into operational activities or reserves to help fund projects in the future with cash reserves rather than debt.

Long term, the Council's approach is to reliance on debt funding with a view to increase reserves to allow major projects to go ahead without the need for debt funding in the future. Therefore over the life of this plan some debt funding has been used as a short term measures i.e. less than 36 months.

This approach allows council to achieve renewal or replacement of assets with shorter term loans and due to the current lower costs of funds allowing greater principal reduction to pay off debt earlier. Council has determined that our net external debt limit is prudently set at 175% of total revenue.

Over the term of this LTP we will borrow over two loan terms:

Short term (36 months or less) for:

- Construction of the New Library Facility.

Longer term (10 Years) for:

- Increases in Stormwater capacity
- Heavy Vehicle Access Route for the Port
- New Animal Pound

- Water Reservoir
- McLeans Pit New Cell Construction and Hardfill site
- Bridge Renewals

We are comfortable with the level of debt Council plans to hold and there is still capacity to borrow if required for unforeseen events or emergencies. Some examples where we may need to increase our debt includes:

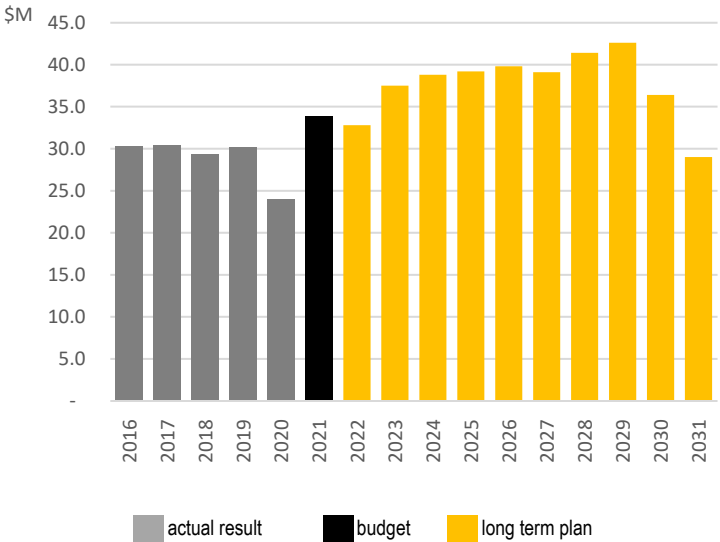
- Unforeseen infrastructure works, ie critical failures.
- Sudden changes in standards we must comply with, ie increases in Drinking Water Standards following the Havelock North Water Inquiry.
- Emergencies, ie natural disasters etc.
- Smoothing the financial impact of large renewal expenditure, e.g. bridge replacements.

Renewals and operating expenditure are not funded by new borrowings, apart from the following exceptions:

1. Road bridge renewals. Individual bridge replacements can be costly for the larger bridges, and in some cases the cost of one bridge replacement can exceed our total renewal budget for all of land transport. In these cases Council will loan fund the cost, repaying the loan over a relatively short period (i.e. 10 years). This is to spread the cost over a few years, smoothing out the rate revenue required from year to year.
2. Port operating deficits. This Plan changes the existing strategy of funding the port deficit through short term borrowing. For many years Port deficits were funded via proceeds from land sales and no direct rate revenue input. With the proceeds from sale of land being a diminishing resource, Council was required to address the issue by introducing a rate revenue input into the Port, as well as increasing the revenue input of Port users. Over the life of this Plan, in the short term, the deficit is funded from short term borrowing, until year six where rate funding is increased and by year 10 the port debt will be fully repaid with the expectation that moving forward the port will be fully funded via rates and user charges.

Given our capital programme, debt levels will increase in the next eight years from \$33.9m in 2021 to \$42.6m in 2029. By completion of the plan debt will be reduce to \$29m in 2031.

Figure C-11: Total overall debt



Borrowing limits

Council sets borrowing limits in its Liability Management Policy, which set out the levels of debt that Council is willing to extend to on behalf of the community. These policy limits are set on the basis that it remains well within the parameters that Council feels is sustainable, especially those that relate to the on-going annual commitment to meet loan repayments into the future. Council remains within the borrowing limits of its policy during the term of the Plan.

The following two graphs illustrate the impact of the forecast borrowing in this Plan against the liability policy limits.

Figure C-12: Debt servicing (finance) costs as a percentage of total revenue

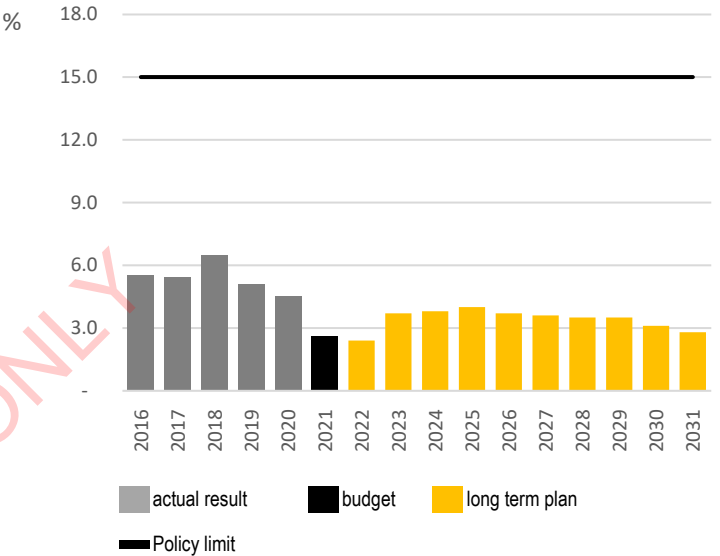


Figure C-13: Total debt per ratepayer

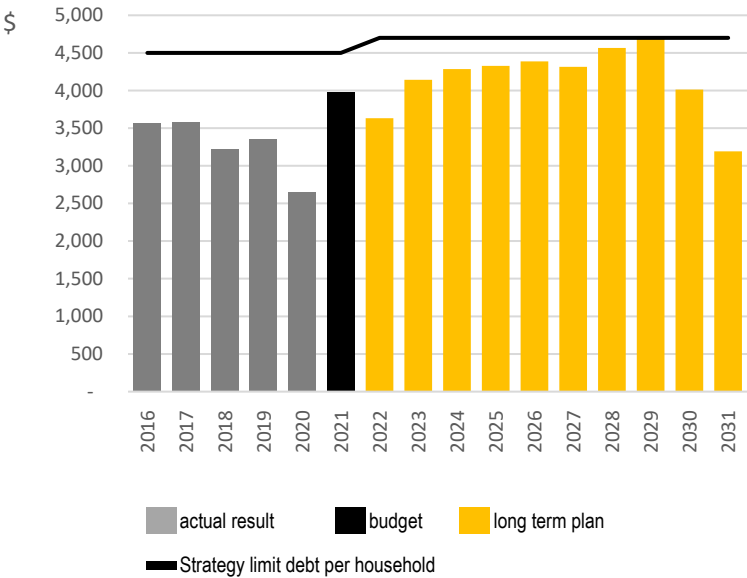
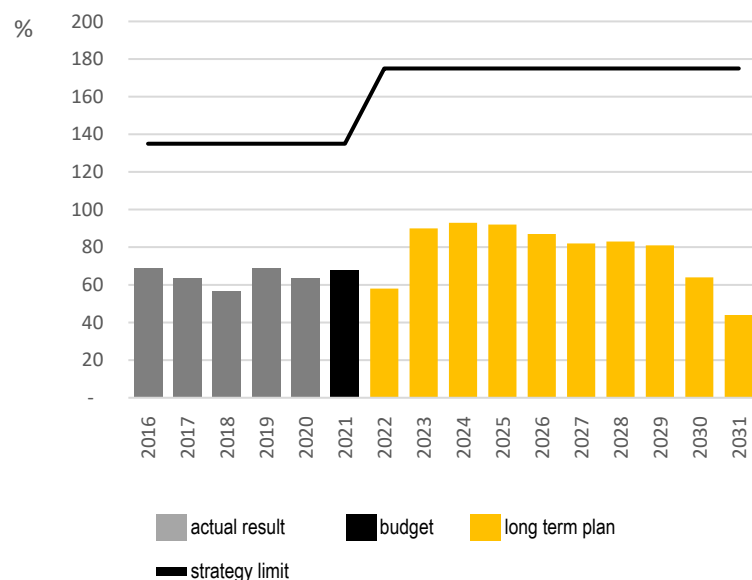


Figure C-14: Net debt as a ratio of total revenue

In the event of a significant unforeseen event (such as a natural disaster), it is possible Council will be required to borrow money that will push it outside its policy limits (particularly the 'total debt per ratepayer limit'). Council's view is that these limits are relatively conservative to purposely allow it to be in a position to exceed them in an unforeseen emergency.

Policy for giving of securities for Council borrowing

Council will use a charge over rates as security for the debt it enters into.

Other key financial data related to debt in this Plan

Total new loans borrowed in the ten years of this plan	\$ 23.7 million
Total debt repaid in the ten years of this plan	\$ 25 million
Total finance (interest) costs in the ten years of this plan	\$ 13 million

Summary

The Strategy Council is proposing in this Plan is what Council believes best strikes a balance between the required levels of investment to continue to provide the current levels of service with the community's ability to pay. If the funding doesn't increase and Council increase the investment into renewals, then levels of service would decrease as well as the likelihood Council would need to increase what it spends on maintenance. With the increased investment of renewals, current levels of maintenance expenditure are expected to continue given the Council is still carrying a significant level of deferred renewals for 20 years plus.

5 Impact on level of service

5.1 Changes to 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.

5.2 Maintaining levels of service

Council has an extensive level of information about its significant assets. Council is continually looking to improve the quality and accuracy of the information we have. This information is contained in separate Activity Management Plans (AMPs). The AMPs also contains detailed service level information such as network condition

and capacity, response to service requests and criteria for maintenance, renewals and upgrades. Council uses this information to plan the required level of operational input required and maintenance of assets required to maintain the current level of service.

A large part of the asset maintenance is delivered through contracts to external parties. A challenge for Council is to continue monitoring of the contracts to ensure that the best value is delivered, and to gain efficiencies wherever practical. This Plan assumes that the contracts will be able to be renewed or re-let at a cost within the predicted levels of inflation.

Given Council's strategy to address the deferred renewals over 20+ years, there is an on-going risk present that assets will fail before they are replaced. This risk reduces over time as Council clears the deferred renewals.

5.3 Capital expenditure to maintain levels of service

As stated, Council has an extensive level of information about its significant assets in Activity Management Plans (AMPs). Council uses this information to plan the required level of renewals required to maintain the current level of service.

Council is signalling in this Plan to spend:

	This LTP	<i>As signalled in previous LTP</i>
Replacing and renewing assets	\$ 115.7 million	<i>\$ 81.3 million</i>
Building new assets	\$ 17.7 million	<i>\$ 4.4 million</i>
TOTAL	\$133.4 million	<i>\$85.7 million</i>

The detail of this is contained in PART E: What Council Does – Groups of Activities.

6 Other funding sources

6.1 Investment revenue

Council holds a number of investments, the majority of which are associated with Special Funds that are held for specific purposes. Council takes a conservative/low risk approach in investing these funds. Council's principles determining how we invest funds are:

- Optimise investment returns while balancing risk and return considerations.
- Ensure that investments are liquid and sufficiently flexible.
- Diversify the mix of financial investments.
- Managing potential capital losses as a result of interest rate movements.
- Providing for termination of investments before maturity if deemed necessary.

Council's total investments are detailed in the balance sheet.

As the majority of the investment returns are returned to Special Funds (reserves), the returns are not directly related to the funding of Council's day to day expenditure. How these investments perform, whilst important, does not directly relate to Council's Financial Strategy on funding the costs of providing the levels of service detailed in this Plan.

Council will retain a minimum level of investments at any one time that we believe would be required in a medium to large scale emergency event to meet any immediate cash flows required to supply resources.

6.2 Asset sales

In the last 20 to 25 years Council has sold many of its assets that were not held for any direct strategic purposes, ie not used as part of delivering Council services. The majority of these sales relate to freeholding of leasehold sections that Council owned. This also aligns with Council's policy of encouraging private freehold ownership of these properties. Where the sale involved 'harbour endowment' land, the proceeds were used to fund Port deficits.

The availability of such assets for sales has now significantly reduced, along with a decreased likelihood of the remaining assets being sold. Council is not considering the divestment (sale) of any other asset classes.

For the purposes of this Plan, Council has signalled negligible return from the sale of assets and therefore there is no impact to Council's Financial Strategy on funding the costs of providing the levels of service detailed in this Plan.

6.3 Council's insurance cover and resilience

Just as many individuals and business owners have experienced recently, Council has had a challenges in recent years to:

- Place insurance cover on our assets
- Fund the required cover

Pre the 2010 and 2011 Canterbury earthquakes, Council was spending a total of approximately \$240,000 per annum to place cover on the majority of insurable risks (buildings and contents, underground pipes, plant, and liabilities). In 2020/2021 similar cover is budgeted to cost approximately \$873,000. This includes Council reducing the amount of cover on any assets that may not be replaced after a total loss.

Some of our insurance policies also have increased excesses (deductibles) in the event of an earthquake. This means in the event of a claim post-earthquake, we will have to meet a greater share of the cost before we can claim on our policies.

In 2011 Council increased the funding in its 'Disaster Recovery Reserve' to part address this possibility. Council has used this reserve from time to time to fund responses to and recovery from emergency events. From year 5 of the plan 1% of rates will be put into the reserve to ensure council is well prepared for any event in the future.

For the purposes of this Plan, we have assumed that our insurance cover will continue to cost a similar amount, with modest savings to be achieved from partaking in a wider buying group of NZ local authorities for insurance brokerage and insurance placement.

These costs are met from a mix of rates and user fees depending on the activities involved (refer to the Revenue and Financing Policy later in this document).

The likelihood of a natural disaster during the life of this Plan would be assessed as more than likely. The District has dealt with a number of smaller scale events in recent years (Greymouth tornado 2005, Cyclone Ita 2014 and a number of floods etc). Council has planned to deal with such events as a part of normal day to day

business. Funding of responding to a larger scale event would need to be dealt with by a combination of:

- Special funds set aside (particularly the *Disaster recovery reserve*)
- External assistance (such as NZTA financial assistance)
- Borrowing
- Increasing rates and other revenue over and above what is signalled in this Plan

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7 Statement concerning balancing the budget

Council has proposed a budget under this Plan that does not balance in all years (a balanced budget is considered one where each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses). Specifically the summary is as follows, with those years in deficit considered an unbalanced budget. It is also fair to say that without subsidies received for capital projects in year one that these years would also run at or close to a deficit.

As outlined previously, Council is not fully funding the depreciation expense for all activities. Council, for this Plan, has set its revenue to cover all the actual money needed to be spent to provide the levels of service as detailed throughout the plan. This includes the replacement and renewal of assets where required.

The below table summarises the deficit the Council is budgeting for in each year of this ten year plan. Also identified are the major items of expenditure that Council has chosen to not fully fund.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total revenue	34,082	42,422	32,217	34,061	34,513	36,079	37,719	39,510	41,600	43,549	45,697
Total operating expenditure	33,691	33,235	33,127	33,824	34,320	34,526	35,611	36,190	36,752	38,090	38,786
Net surplus / (deficit)	391	9,187	(910)	237	193	1,553	2,108	3,320	4,848	5,459	6,911
FINANCIAL PRUDENCE OF FORECAST UNBALANCED BUDGET											
Items being addressed over the longer term as a part of the financial and infrastructure strategies											
Land transport depreciation (part of)	(1,352)	-	-	-	-	-	-	-	-	-	-
New Wastewater schemes depreciation (part of)	(428)	(830)	(239)	1,370	(46)	(251)	(289)	17	74	(249)	(198)
Port deficits	(31)	-	(429)	(434)	(446)	(262)	(60)	(387)	(390)	-	-
Items specifically not funded											
Greymouth floodwall depreciation	(6)	-	-	-	-	-	-	-	-	-	-
Stadium depreciation	(42)	(515)	(991)	(1,019)	(996)	(997)	(1,056)	(1,011)	(1,030)	(1,081)	(688)
Net surplus / (deficit) - excluding the above expenditure items not funded	2,249	10,532	749	321	1,681	3,063	3,513	4,701	6,194	6,789	7,796

7.1 Why is Council not fully funding this expenditure in this plan?

Land transport depreciation (part of)

As outlined in Council's Infrastructure Strategy, Council's current renewal investment (expenditure) is less than the annual depreciation expense. Council raises revenue (rates and NZTA financial assistance) to fund the renewals and given depreciation is higher than renewals, this activity subsequently runs at a loss (deficit).

Council is increasing the revenue (rates) applied to the Land Transport activity over the life of this Plan and the strategy is that this increase will continue beyond this Plan until the activity is fully funded and the backlog of renewals is dealt with.

This is a longer term strategy that Council aims to balance the needs of continuing to provide the current levels of service balanced with the community's ability to pay (affordability).

New Wastewater schemes depreciation (part of)

This is a significant sum of expenditure that Council has chosen not to fully fund during the life of this Plan.

Council has invested heavily in upgrading and building new schemes in the last few years, namely:

- Blackball
- Greymouth
- Taylorville/Dobson/Kaiata

Council has received subsidies towards the schemes, with the balance of the costs funded from a targeted rate on the benefiting properties (via loan repayments). Because of the subsidies, the local communities are not paying the actual total cost of the schemes (if they had to it would be unaffordable). As a result these activities generate an annual deficit as the depreciation expense reflects the full cost of the new assets.

If Council were to raise sufficient revenue (via rates) to fully fund the depreciation expense then effectively the current community would not receive any benefit from the subsidies received.

Council believes this approach to be prudent as it:

1. Continues to address all the required wastewater renewals over the next ten years; and

2. Once the funding for stormwater and water supply renewals has been fully addressed, Council intends to start diverting this funding towards wastewater renewals, which will bring the activity into surplus over the long term.

Port

The Port has run at a deficit for many years and continues until year 9 of the Plan. Council is proposing to increase ratepayer input into the Port and get an increased contribution from the fishing industry. Cash shortfalls in years one to eight will be met from Council borrowing, with the increases in revenue and rates used to repay debt from year six onwards. Council considers this the most prudent approach.

Sports Stadiums depreciation (part of)

The Westland Recreation Centre/Grey District Aquatic Centre and upgraded Spring Creek Pool (Runanga) were funded largely from external fundraising and donations.

If Council were to raise sufficient revenue (via rates) to fully fund the depreciation expense then effectively the current community would not receive the benefit from the successful fundraising to build/upgrade the new facilities.

Summary

Council has decided, for the purposes of this Plan, that to accumulate these deficits is the most prudent approach, in that it strikes a balance between what the community can afford as well as meeting the needs of both the present and future communities. As outlined previously, the options to reduce these deficits are largely limited to increasing revenue from rates. Accumulated deficits will need to be addressed by Council operating in surplus beyond the life of this Plan.

This Plan sets out that, over the longer term, Council will fully address the backlog of renewals. As set out in this document, when this happens will differ between Council asset classes of Land Transport, Stormwater, Water Supply, and Wastewater. This is based on Council prioritising which renewals should occur ahead of others and when, for example, the backlog of stormwater renewals has been fully addressed, more funding will be focussed/diverted towards water supply and wastewater renewals.

PART D: Infrastructure Strategy 2021-2051

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1. Infrastructure overview

1.1 Our infrastructure

Grey District Council owns and manages \$502 million of infrastructure assets (*Replacement Cost – 2020 valuation*).

Council is responsible for the management of the roading network, networks and associated infrastructure for water, wastewater and stormwater, the Port, one aerodrome situated in Blaketown and eight public car parks in Greymouth.

The Port, Aerodrome and car parks are not deemed to be significant infrastructure and therefore are not included in this Strategy.

Infrastructure breakdown

Water	Two separate water schemes * 208km pipes Nine reservoirs 12 pump stations Delivering over 2.6 billion of litres of water a year to 5,140 businesses and households
Wastewater	Six wastewater schemes and treatment plants 39 pumping stations 182km pipes Servicing 5,512 properties
Stormwater	Five pump stations 132km urban stormwater pipes
Land Transport	648km road (62% sealed) 106.8km footpaths 209 bridges and large culverts (over 3.4 square metres in area) Port Aerodrome

* Note: While the Runanga water supply has been upgraded, it has not been commissioned and that community is currently connected to the Greymouth water

supply. A decision to proceed has been deferred pending the outcome of the Three Waters reform.

This Infrastructure Strategy (IS) as part of the Long Term Plan (LTP) and provides a 30 year view of potential strategic issues and options in relation to these services and outlines a 30 year view of expenditure requirements.

Table D-1: Grey District Council's infrastructure value (Replacement Cost – 2020 valuation) M = millions

Water Supplies	\$65.8M	13.1%
Wastewater	\$93.3M	18.6%
Stormwater	\$89.4M	17.8%
Land Transport	\$253.4M	50.5%

The total depreciated replacement value of these assets is \$298 million and annual total depreciate is \$7.6 million.

1.2

Current position

Council has outlaid a significant amount of capital expenditure in recent years, over \$144 million since 2006. We have had to bring our wastewater schemes up to modern day compliance requirements, ensure our water supplies meet NZ Drinking Water Standards and have created new community assets such as swimming pools, gym and stadium and Town Square in our CBD. A summary of the larger projects include:

Aquatic Centre	\$10 million (<i>subsidies and donations received</i>)
Westland Recreation Centre	\$11 million (<i>mostly funded through fundraising and subsidies</i>)
Wastewater treatment plants	\$43 million with work ongoing for the Greymouth scheme (<i>subsidies received of varying levels for individual schemes</i>)
Water supply upgrades	\$6 million with work ongoing for a new Kaiata supply (<i>subsidies received of varying levels for individual schemes</i>)

Town Square and Tainui Shared Street	\$1.9 million (<i>subsidies received of \$1M</i>)
Croesus Road upgrade	\$2.7 million (<i>funded from a PGF subsidy</i>)

Because Council had prioritised spending on new infrastructure in recent years, hard decisions had to be made on what was spent in other areas to ensure that we could continue to provide our services without passing on unaffordable rates increases to the community. As is often the case in large businesses and organisations, this prioritisation included deferring the issue of addressing the funding of required renewals in the future.

However, this has only ever been a short term solution as the renewal requirements continue to accumulate, leading to what is known as deferred renewals (also commonly called renewals backlog). With the large new infrastructure spending mostly complete, Council began focussing on addressing deferred renewals as part of the last long term plan and will continue to do so as part of this long term plan.

What are deferred renewals?

Council assets, like any asset, have a specific useful life. The useful life of assets are calculated using a combination of:

- Industry best practice
- Our own previous experience of using the same or similar assets
- Specific environmental conditions where the asset is located which may extend or reduce the useful life
- Amount of use
- Type of use, this is particularly relevant where changes in demand or some other change (e.g. truck loading) decrease the useful life.

Once an asset has reached the end of its useful life, then it is expected that it will require replacement (renewal) if Council is going to continue to provide that 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 asset information and useful lives are based on the best information we have to hand and Council has made reasonable progress in recent years increasing the quality and reliability of the information. Understandably however, a useful life is never going to be an exact science (measure) for each asset. Some may not last as long; others will last longer. In addition to this, there are areas of the asset

database where assumptions and estimates are applied, which introduces uncertainty in some areas.

It is fair to say however that when an asset fails before the end of its planned useful life, this is unexpected and not an ordinary occurrence. An asset that fails when in use beyond its planned useful life could not be considered unexpected. Continuing to use assets beyond their assessed useful life represents a risk to the Council and community that these assets may fail. Long-term deferring of asset renewals can lead to more breakdowns and service disruption, substandard services and, in the end, failure of services

Why do deferred renewals happen?

Deferring expenditure has become a part of business for many organisations, particular those with tight budgetary constraints. Local authorities in rural areas are regularly faced with tough decisions about maintaining networks of assets as populations decline. Not all assets can be easily relocated or used for a different purpose, eg water. When budget constraints are necessary, deferring renewals is usually the first option considered.

However, in the case of Councils, we also have an obligation to maintain our infrastructure as failure to do so could result in a significant health risk for our community and could have adverse effects on our reputation with businesses and the community.

Why hasn't Council addressed this earlier?

Over previous years Council has been 'sweating its assets' (a term used to describe a way of extending the use of an asset beyond its useful life) in the interests of keeping rates rises down and using funds to complete other prioritised and expensive capital projects. This approach increases the risk of unexpected disruptions to service delivery.

Confidence ratings

We commissioned external providers to evaluate our infrastructure assets and provide confidence ratings. These are outlined below and have been useful in allowing us to prioritise funding to where it is most needed.

Three waters

Provided by WSP NZ Ltd

4.2 CONFIDENCE RATINGS

Confidence ratings have been assigned to the source data, unit cost rates and to other items as appropriate. The confidence ratings used are summarised below:

Table 4.2 Confidence Ratings

Grade	Label	Description	Accuracy
A	Highly Reliable	Data based on sound records and recognised as the best method of assessment.	±5-10%
B	Reliable	Large portion of data based on sound records but has minor shortcomings (e.g. old data, some missing documentation, reliance placed on unconfirmed reports and extrapolations).	±10-15%
C	Uncertain	Significant data incomplete, unsupported or extrapolated from a limited sample.	±15-25%
D	Very uncertain	Data based on unconfirmed verbal reports, cursory inspection and judgement of experienced person.	±25-40%

Source: Grading and Description are based on Table 3.5.3 of the 'International Infrastructure Management Manual - 2011'

	Description	Replacement Cost	Depreciated Value	Annual Depreciations	Accumulated Depreciations	Overall Confidence Rating
Stormwater	Stormwater	89,385,364	40,331,855	1,032,053	49,053,509	B
sw_line	Pipelines	74,184,940	33,623,824	820,295	40,561,115	
sw_plant	Structures, pumps, electrical	1,848,828	896,630	38,938	952,198	
sw_point	Service chambers, connections	13,351,597	5,811,401	172,820	7,540,196	
Wastewater	Wastewater	93,330,534	69,481,233	1,343,033	23,849,301	
ww_line	Pipelines	61,210,687	45,255,181	666,571	15,955,506	
ww_plant	Structures, pumps, electrical	23,311,421	18,048,041	568,060	5,263,380	
ww_point	Service chambers, connections	8,808,425	6,178,010	108,402	2,630,415	
Water Supplies	Water Supplies	65,843,368	34,671,951	996,880	31,171,417	
ws_line	Pipelines	47,090,124	26,187,220	592,913	20,902,904	
ws_plant	Structures, pumps, electrical	13,234,382	6,190,259	246,486	7,044,123	
ws_point	Service chambers, connections	5,518,862	2,294,472	157,481	3,224,390	
Grand Total		248,559,266	144,485,038	3,371,966	104,074,227	
						By WSP

	Cost Rate	Quantity	Total Life	Remaining Life	Current Value	Cost Rate	Quantity	Total Life	Remaining Life	Current Value	Justification
Stormwater	B	B-C	B	B-C	B						
sw_line						B	B	B	C	B	Condition assessments
sw_plant						B	B	B	B	B	Annual inspections
sw_point						B	B	B	C	B	Condition assessments
Wastewater	B	B-C	B	B-C	B						
ww_line						B	A	B	B	B	Newer assets and condition assessments
ww_plant						B	A	B	B	B	Annual inspections
ww_point						B	A	B	B	B	Newer assets and condition assessments
Water Supplies	B	B-C	B	B-C	B						
ws_line						B	A	B	C	B	Condition assessments
ws_plant						B	A	B	B	B	Structures, upgraded, renewed in recent times, Annual inspections
ws_point						B	A	B	C	B	Condition assessments
Grand Total											
	By WSP	By WSP	By WSP	By WSP	By WSP	By GDC	By GDC	By GDC	By GDC	By GDC	

Land Transport

Provided by Stantec

Based on NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2.0, Table 4.3.1: Data confidence grading system:

A	Highly Reliable	Data based on sound records, procedure, investigation, and analysis which is properly documented and recognised as the best method of assessment.
B	Reliable	Data based on sound records, procedures, investigation, and analysis which is properly documented but has minor shortcomings.
C	Uncertain	Data based on sound records, procedures, investigation, and analysis which is incomplete or unsupported, or extrapolation from limited sample for which grade A or B data is available.
D	Very Uncertain	Data based on unconfirmed verbal report and/or cursory inspection and analysis.

Asset Description	Confidence	Comments
Formation	B – Reliable	Assumed depths
Sealed Pavement Surface	A - Highly Reliable	No assumptions made.
Sealed Pavements	B – Reliable	Assumed depths, pavement ages
Unsealed Pavements	B – Reliable	Assumed depths, pavement ages
Drainage	B – Reliable	Some assumed construction ages
Surface Water Channel	B – Reliable	Some assumed construction ages
Footpath	B – Reliable	Some assumed construction ages
Traffic Facilities Signs	B – Reliable	Some assumed construction ages
Traffic Facilities Retaining Walls	B – Reliable	Contained in both minor structure as well as retaining wall tables.
Traffic Facilities Railings	B – Reliable	Some assumed construction ages
Traffic Facilities Markings	B – Reliable	Some assumed construction ages
Traffic Facilities Islands	C- Uncertain	Utilised Assetfinda Data from 2017 valuation
Traffic Facilities EMP's	C-Uncertain	Utilised Assetfinda Data from 2017 valuation
Streetlights	B – Reliable	LED register provided by Council
Bridges and Bridge Culverts	B – Reliable	Footbridge Register provided by Council

What are we going to do about the renewals backlog?

Council has known for some time that there is likely to be a renewals backlog but didn't have accurate data about the actual condition of our assets. A key focus of the 2015-2025 LTP was to try and gain a better understanding of the actual condition of our infrastructure. Council has undertaken a considerable amount of work carrying out 'condition assessments' in recent years of our underground and above ground assets. These condition assessments give us a greater understanding on how long we can expect the assets to serve their purpose (ie useful life) and greater certainty/comfort that the information relied on for planning purposes is accurate and appropriate.

It should be noted that underground assets present their own challenges in assessing condition and obtaining reliable data is often costly. Without digging up these assets, there will always be an element of uncertainty, which can influence how well asset maintenance can be planned. Even above ground assets such as bridges can present some inspection challenges. Although we already had asset management plans and infrastructure databases and managed them actively, "we only know what we know" and much of the previous information we had before the condition assessments were carried out was unreliable or non-existent. The process of gathering information is ongoing, with an increased emphasis in this LTP on land transport assets.

The outcome of the condition assessments confirmed that we face deferred renewals in the Water Supply, Wastewater, Stormwater and Land Transport activities, some of them significant.

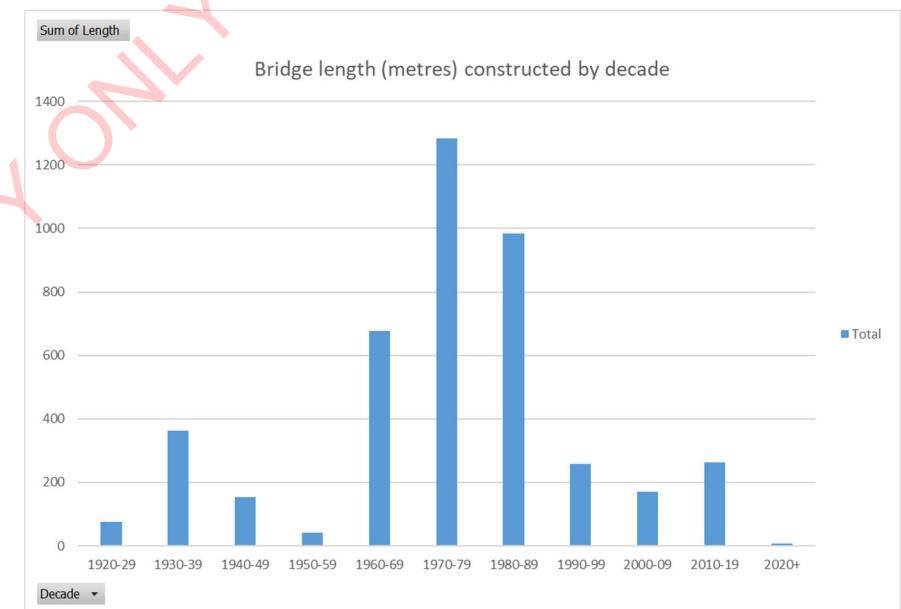
With improved information on the condition of its assets, Council increased funding as part of the 2018-2028 LTP to allow for an increased rate of renewal of our infrastructure to ensure we continue to provide good quality and reliable services to our community. Using the information from our condition assessments, we intend to continue to plan to:

- Prioritise the most critical areas requiring replacement; and
- Consider the most appropriate solutions for replacing/renewing (eg maybe a pipe can be relined rather than replaced in its entirety or key components of a bridge can be replaced without replacing the entire bridge).

When assets will require renewal/replacement is determined by the original install date plus its useful life. Because historically there have been periods of more intensive infrastructure development (eg post Second World War, 1960's/1970's high growth era), the total value of assets reaching their end of useful life varies

from year to year and generation to generation. Some years there may be a large volume; other years not so much. For example, a large number of new road bridges were built in the Grey District in the 1960's/1970's. We therefore have a relatively large portion of the bridges well through their useful lives in a short period. The following graph illustrates the total length of bridges constructed by decade that are still in use in the Grey District. Note the peak in the 1930's (all of which are nearing the end of their intended useful life) and then subsequent peaks in the 1960's, 1970's and 1980's. Compounding an increasing condition issue, in the last ten years legal truck loading limits have been increased from the former Class 1 (44 tonnes) to higher limits.

Figure D-2: Bridge length (metres) constructed by decade



This trend is typical across all of our infrastructure assets, and we go in to more detail on this below.

These 'infrastructure renewal waves' represent a large challenge for the Council as the requirement to maintain current levels of service by maintaining and replacing assets needs to be balanced with the community's ability to pay. Council may have to consider borrowing money to 'smooth' the impact of large infrastructure renewals. Please refer to our Financial Strategy for more information.

What are the implications of not starting to address deferred renewals now?

Not addressing deferred renewals has serious implications, including running the risk of breakdowns, service disruption, extra costs for ongoing maintenance and potentially total failure of our services.

We are fully aware that finding the balance between funding and required maintenance is incredibly challenging. The data obtained from the condition assessments means we have the information we need to accurately and reliably plot the useful lives of our assets. We undertook a moderate funding increase towards starting to address deferred renewals as part of the 2018-2028 LTP and this LTP further prioritises those areas requiring the most attention, with extra funding to be assigned. It is important that we find the appropriate balance between budgets and the maintenance and renewals that are required, as well as looking after our assets correctly now and into the future.

How will this be funded?

We are planning continue to increase rate funding on a year by year basis to address deferred renewals in Stormwater, (from Year 2), Land Transport, Water Supply (after Year 3) and Wastewater (after year 7) activities.. Council has prioritised stormwater as the area requiring the most funding at present, so one off borrowing will be used in years one and two to expand capacity and addresses urgent works with an increase from year two in renewals funding to a level that prevents the deferred renewals increasing over the life of the plan..

We note that this approach will still carry some risk to Council and the community, i.e. higher ongoing maintenance costs and risk of asset failure, but believe this is a prudent approach. Once the level of required stormwater renewals have decreased, Council will be able to widen its focus to other areas.

Refer to the relevant sections for the Water Supply, Wastewater, Stormwater and Land Transport activities for more information.

1.3 Land Transport overview

In terms of value, the road network represents over half of our infrastructure. This activity includes the road surface, footpaths and bridges.

Key issues facing this activity

Bridges and large culverts	Some of our bridges are nearing the end of their recommended useful life and we need to start planning for the necessary renewals/replacements.
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	We also need to take into account works or replacements required for seismic reasons or to increase load capacity for heavier legal truck loading. Climate change will also affect decisions with respect to the location and size of assets. Flood capacity in many cases needs to be considered now for future increases given these assets are in service for up to 100 years. Fish passage requirements means particularly where culvert options are being considered for renewals, providing sizes bigger than hydrological minimums to replicate natural stream beds.
Road Surfaces	We currently do not renew our road surfaces (ie resealing) as often as recommended/suggested by industry best-practice. This has contributed to a backlog in roads required to be resurfaced.
Footpaths	The condition of footpaths in the District are often a key issue for our community especially with an increasing aged demographic.. With assistance from Waka Kotahi – NZ Transport Agency (NZTA), Council has significantly increased maintenance and renewal of footpaths, however the situation needs to be continued to be monitored to see if there is an improvement in community expectations.
Speed Management	Part of the Road to Zero 2020-30 Government road safety strategy which aims to review safe speed limits on all roads in NZ.
Climate Change	Over the term of this plan climate change is likely to continue to affect the location and capacity of infrastructure. Area presently affected are Rapahoe and the southern end of Cobden. See also comments under Bridges and large culverts. Further research is being carried out in the near future which will inform future infrastructure strategies.

Plan for the future

- Council plans to maintain existing levels of service with regards to the Land Transport activity and does not envisage any increases in the service it provides, with the following exceptions:
 - Seismic strengthening of bridges.
 - Strengthening or replacing bridges to cater for 50MAX/ high productivity motor vehicles (HPMV).

- Increasing the flood carrying capacity of bridges and culverts at the time of replacement to cater for climate change.
- Provision for fish passage for culvert renewals.
- Considering relocation, protection, or abandonment of assets relating to this activity where there are no alternatives to cater for climate change. Responses to this issue will form part of wider work being undertaken at a regional level, and will include Council and other agencies being part of collaborative conversations with affected communities, as private and public land is affected.
- Condition and service level renewals will start to be addressed on bridges (renewals or replacements for structures that are nearing the end of their service life) with data from condition and posting assessments used to prioritise renewal works to where the most critical need is.
- Start applying additional funding towards surface renewals from year 1.
- We will continue to carry out our current level of footpath renewals, which have been increased by 36% from the previous LTP, with works prioritised to areas deemed as having the most critical need. Overall increase in funding for maintenance and renewal of footpaths has increased by 71% from the previous LTP.
- Speed management may result on lower speed limits on local roads, however Council's focus on maintaining levels of service relate to road safety, that is prevention or avoidance of crashes, injuries and deaths.
- Increase funding to improve asset management and planning including obtaining data particularly on the age and condition of assets such as smaller culverts, kerb and channel, traffic facilities and footpaths.

Funding

We are planning on increasing rates input into this activity to address the above key issues.

The increased funding and borrowing in years three and four of the plan will initially be allocated towards condition based renewals in bridges and increased funding towards road/street surface renewals from year one.

It should be noted that Council receives financial assistance from the New Zealand Transport Agency (Waka Kotahi - NZTA) for certain types of works. Bridge renewals or replacements receive a subsidy from Waka Kotahi - NZTA which since the last LTP now includes footpath renewals. This subsidy rate for Waka Kotahi has increased from 58% to 63% from 2022. It makes financial sense for Council and is more beneficial to the community for money to be targeted towards projects which receive the highest subsidy, thus generating more money to invest in land transport infrastructure.

Please refer to PART D: Section 4 – Land Transport for full details on this activity.

1.4 Water Supply overview

There has been significant investment in the water supply network over the last decade. Upgrades to treatment facilities have been carried out with the aim of meeting the NZ Drinking Water Standards.

Key issues facing this activity

The Government is presently working with all Councils through a significant review of how the Three Waters (drinking water, wastewater and stormwater) services are delivered to our communities. A number of changes are likely to occur to water supply service delivery and regulation over the term of the LTP, as a result of the review.

From 2022 onwards, there is likely to be a new regional entity responsible for delivering water supply services in the Grey District and wider region. At the time of preparing this Strategy however, there is no specific proposal or format for any new entity around which community consultation can take place. It has not yet been determined if Council will continue to have a role in the stewardship and supply of water supply services. The approach that we have taken is to identify the key issues for the future, regardless of which agency is responsible.

Deferred renewals

We have carried out condition assessments on our water supply network and information to hand confirms we have deferred renewals which need to be addressed.

Addressing deferred renewals also has the added benefit of addressing high leakage rates.

Plan for the future

- Treatment plant upgrades were completed with the last LTP. The main focus over the next 30 years is expected to be on maintaining and renewing the existing water infrastructure to meet current drinking water standards. The exception is while the Runanga water supply has been upgraded, it has not been commissioned. A decision to proceed has been deferred pending the outcome of the Three Waters reform.
- Deferred renewals will start to be addressed from year three onwards, with data from condition assessments used to prioritise renewal works to where the most critical need is.

- Council intends to continue with its focus on leak detection and repair for water supplies, which will provide a better level of service to consumers and reduce wastage.
- If deemed necessary, carry out Stage II treatment for the Greymouth water supply. This would be considered necessary if we no longer comply with requirements set by the Ministry of Health. The situation is being closely monitored and as it is not an issue at present, it has not been included in the LTP.
- Upgrades and replacement of our supervisory control and data acquisition (SCADA) control and monitoring systems, is also planned over the first 10 years of the strategy. Continuous supply and monitoring of data to measure the quantity and quality of water supply indicators essentially cannot be achieved without such a system in place.
- Monitoring in years 1 to 3 and if required management of chlorine residuals commencing in Year 4 at \$100,000 per year
- In addition, increase the capacity of the Greymouth Reservoirs to at least meet the New Zealand fire fighting standard.
- Consider new options for demand management for water supply use within the first three years of the strategy. Indications are that as well as high leakage losses, actual water use by consumers is significantly higher than average consumer use in NZ. This work is part of ongoing implementation of recommendations from the 2016 Greater Greymouth Water Supply Master Plan, which focuses on demand management and options for addressing the issues identified.
- Consider relocation, protection or abandonment of assets relating to this activity where there are no alternatives to cater for climate change. Responses to this issue will form part of wider work being undertaken at a regional level, and will include Council and other agencies being part of collaborative conversations with affected communities, as private and public land is affected.
- Investigate the feasibility of extending water supply and waste water collection services to Gladstone – Camerons area.
- Extending the existing Greymouth water supply to Kaiata is underway during the preparation period for the plan and is expected to be completed by 30 June 2021.
- While the Three Waters Reform may introduce organisational changes, the new water services regulator Taumata Arowai will likely review and introduce changes to the drinking water standards. Such actions have not been allowed for in this Strategy, and would need to be addressed at the time any changes are finalised. Refer to PART D: Section 5 – Water Supply for more details.

Funding

At the time of preparing this strategy, other sources of funding are being offered from Central Government as part of the Three Waters Reform. Council has decided to take up this funding, which means a reduced need for funding from targeted rates.

- We are planning on increasing targeted rates input into this activity from year 3 onwards, to address deferred renewals.
- Increasing the capacity and relocation of the Greymouth water reservoir is planned to be funded from Central Government Funds.
- Government Grants towards:
 - SCADA renewals and upgrades across the three waters (Central Government)
 - Water supply pipe renewals
 - Extension of the water supply to Kaiata Township and Kaiata Park
 - Additional intake bore for the Greymouth Scheme

Please refer to Part D: Section 5 – Water Supply for full details on this activity.

1.5 Wastewater overview

There has been significant investment in the wastewater network over the last decade. Upgrades to treatment facilities have been carried out with the aim of achieving resource consent compliance for treated wastewater effluent discharges.

Key issues facing this activity

As outlined above, the Government is presently working through a review of how water, wastewater and stormwater services are delivered. At the time of preparing this strategy it has not been determined if Council will continue to have a role in the stewardship and supply of wastewater services. Council is aware that from 2022 onwards, there is likely to be a new regional entity responsible for delivering these services in the Grey District and wider region, but as yet there is no specific proposal that the community can be consulted on. The approach that we have therefore taken in this strategy is to identify the key issues for the future, regardless of which agency is responsible.

Deferred renewals

While there is a level of deferred renewals applicable to this activity, they are not as significant in the short to medium term (up to 10 years) as those in the water supply and stormwater activity. In the longer term deferred renewals does start to significantly increase.

	Future LTP's and Infrastructure Strategies will review levels of funding.
Connection of the Karoro Waste Collection System to the Greymouth Treatment Plant	At present liquid waste from Karoro, South Beach and Paroa is being collected and treated at the Karoro Waste Water Treatment Plant (WWTP). A commitment entered into when the resource consents were renewed is to consider the option of transferring the effluent for treatment at the Greymouth Treatment Plant at Preston Road. The advantages and disadvantages of this alternative option need to be presented to the Regional Consent Authority by 1 Feb 2025. The existing consents expire in 2028.
Climate Change	Over the term of this plan climate change is likely to continue to affect the location and capacity of infrastructure. The effects of climate change may be a significant factor in determining the future of the Karoro waste water treatment plant. It is noted that Blaketown Breakwater contributes to build up of beach gravels to the south and northern littoral drift also brings river gravels north.

Plan for the future

- The main focus over the next 30 years is expected to be on maintaining and renewing the existing wastewater infrastructure to meet resource consent conditions.
- The Runanga sewerage system was previously found to have parts of the network in very poor condition and the majority of the network requires replacement. Council commenced these upgrades in 2012 and will continue to carry out staged replacement over the next 10-20 years.
- Enhanced UV disinfection of the treated Greymouth effluent discharge at Johnston Street will be carried out if deemed necessary. At present we are meeting the discharge requirements of our Resource Consent, but if we can no longer do so, we will need to consider the required upgrade works. Work is included in this LTP commencing in year 2.
- Preparing a report to the Consent Authority on the advantages and disadvantages of transferring liquid waste from the Paroa, South Beach and Karoro communities to the Greymouth Scheme, which needs to be presented by 1 Feb 2025. Assessment included in year 3 of the LTP. If the advantages outweigh the disadvantages and Council agrees or is required to do so, we

will fund the infrastructure to transfer liquid waste from the Karoro WWTP to the Greymouth WWTP.

- Investigate the feasibility of extending water supply and waste water collection services to Gladstone – Camerons area.
- Upgrades and replacement of SCADA is also planned over the first 10 years of the strategy. Continuous supply and monitoring of data and the measuring of the quantity and quality water supply indicators essentially cannot be achieved without such a system in place.
- Consider relocation, protection or abandonment of assets relating to this activity where there are no alternatives to cater for climate change. Responses to this issue will form part of wider work being undertaken at a regional level, and will include Council and other agencies being part of collaborative conversations with affected communities, as private and public land is affected.
- While the Three Waters Reform may introduce organisational changes, the new water services regulator Taumata Arowai may also review and introduce changes to the fresh water standards. Repeal of the Resource Management Act may also introduce changes that affect this activity. Such actions have not been allowed for in this strategy and would need to be addressed at the time any finalised regulatory changes take effect.

Refer to PART D: Section 6 – Wastewater for more details.

Funding

Council received \$3.8 Million in funding from the Three Waters Reform in 2020/2021. The bulk of this funding has been used for water and stormwater projects as these have been identified as a higher priority due to higher levels of deferred renewals than wastewater. Funding was also allocated for the upgrade of the SCADA system and a report on the transfer of waste water from Karoro to Greymouth WWTP. Please refer to PART D: Section 6 – Wastewater for full details on this activity.

1.6 Stormwater overview

Since 2008 the total length of stormwater pipe networks has increased from 84.5km to 132.4km. Most of this increase is in the Blaketown, Cobden and Greymouth areas, where existing combined stormwater-sewer pipes have become dedicated stormwater only pipes.

The now dedicated stormwater pipes are ageing and condition assessments have confirmed that due to focussing on upgrading our wastewater treatment plants in previous years, we now face significant deferred renewals in this activity.

As described earlier, the Government is presently working through a review of how water, wastewater and stormwater services are delivered. At present, this reform programme is centred around the delivery of drinking water and wastewater services as a priority, rather than stormwater. There is significant uncertainty around whether and when any changes in the delivery of stormwater services may be reviewed. The approach that we have therefore taken in this strategy is to identify the key issues for the future, regardless of which agency is responsible.

Key issues facing this activity

Deferred renewals	We have carried out condition assessments on our stormwater network and these have confirmed there are significant deferred renewals which need to be addressed.
Climate change	The effects of climate change mean there is potential for flooding events in increasing numbers and volume for which our existing stormwater network cannot cope. 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.

Plan for the future

- The main focus over the next 30 years will be on renewing the stormwater infrastructure to current modern design standards on a prioritisation basis using information collected from the condition assessments, as well as maintaining the network we currently have.
- When renewing stormwater infrastructure we will assess the size of pipes required to cater for climate change. This is likely to result in replacing existing pipe sizes with bigger diameter sizes to maintain the same level of service over the life of the new replaced asset. For example, catchment assessments and allowance for climate change will be taken into account when designing replacement pipeline and this may mean, example only, a 300mm diameter line may require replacement with a 450mm diameter pipeline. There may be some sites where this is not possible and if this is the case, alternative options will be considered.

- Consider relocation, protection or abandonment of assets relating to this activity where there are no alternatives to cater for climate change. Responses to this issue will form part of wider work being undertaken at a regional level. This will include Council and other agencies being part of collaborative conversations with affected communities, as private and public land is affected.
- The Plan also includes provision of new stormwater infrastructure to address flooding in localised areas. See Part D: Section 7 – Stormwater for full details on this activity.

Funding

Council received \$3.8 Million in funding from the Three Waters Reform in 2020/2021. The bulk of this funding has been used for water supply upgrades but funds have been set aside for stormwater SCADA upgrade. Council intends to address deferred renewals by increasing rates input from year two of the LTP to a level that will prevent deferred renewals increasing over the life of the plan. In Years 5 and 6 a one off boost in rates funding is allocated to elp deal with existing deferred renewals, then from year 7 of the rates funding increases cumulatively \$50,000 per year. Failure to address these issues would have serious implications, including the potential for critical failure and extensive damage to property.

Please refer to PART D: Section 7 – Stormwater for full details on this activity.

Current data on our assets

For the Three Waters, Council uses a geographical information system with specifically developed assets management software developed and supported by AssetFinda Ltd to collate asset information on the location, age, condition and material of assets. Other important information such as additions, disposals and costs of assets are also collated in this system. The system also is able to provide valuation information and predictive analysis.

While significant condition assessments for the water supplies, wastewater and stormwater assets have been completed, itis noted that condition assessment of such assets is continuing on an ongoing basis.

Land Transport, to meet New Zealand Transport Agency requirements, Council has recommenced using a Road Asset Management Maintenance System (RAMM) support by **think project** Deutschland GmbH. Essentially the same features are provided as for the Three Waters assets management software.

As already stated, condition assessments carried out to date confirm there are renewals backlogs (also known as deferred renewals) in the Water Supply,

Stormwater, Wastewater and Land Transport activities. Changes from estimated useful lives to actual useful lives of pipes have been included in this Plan and they are more or less as assumed for the last LTP.

The outcome of the condition assessments mean we now have better information about the actual useful lives of our assets than we did before. This information, combined with valuation data has been used to determine the levels of deferred renewals we are facing. However, whilst we have based our Strategy on the best information available, there is still some level of uncertainty about the data which may mean that the financial forecasts could end up being materially different.

In recent years Council has carried out a review of the seismic capacity of bridges. The results of this study have been used to develop a prioritisation list for renewals/upgrades of bridges included in the LTP and will be used to prioritise future renewal plans.

Lifecycles

Lifecycles for major assets are summarised in the activity section and detailed for all assets in the relevant Activity Management Plans (AMPs). The approach to developing our AMPs is life cycle asset management which means:

Considering all management options and strategies as part of the asset lifecycle from planning, creation then disposal. The objective is to look at the lowest long term costs (rather than short-term savings) when making asset management decisions.¹

Whilst this is the desired approach, Council is also constrained by affordability as is discussed in this strategy and also the Financial Strategy. Council has to consider all its desired objectives across all its activities when it prepares its budgets. Realistically, for instance, optimal levels of funding for renewals cannot always be achieved.

Over the long term Council's aim is to achieve lowest long term costs. However it has to, as a trade-off across all its activities, accept higher risks and, for instance, increase operational and maintenance costs while it works towards achieving lowest long term costs.



Useful life

The Council has made a number of assumptions about the useful lives of its assets by assessing condition using the age, material and local knowledge. The detail for each asset category is reflected in the statement of accounting policies. We have also incorporated factual data obtained from the detailed condition assessments which have been carried out.

The useful lives are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers. Renewals have currently been determined by assessing condition using the age, material and local knowledge.

More detailed information is available in the Activity Management Plan (AMP) for each activity.

¹ International Infrastructure Management Manual – Version 3.0 2006 p 1.10

2. Purpose of this Strategy

The Local Government Act 2002 requires local authorities to develop an Infrastructure Strategy covering a minimum period of 30 years. The purpose of the Strategy is to:

- a) Identify significant infrastructure issues for Grey District Council over the period covered by the Strategy; and
- b) Identify the principal options for managing those issues and the implications of those options.

The Strategy is both informed by, and provides strategic direction to, the infrastructure asset management plans (AMPs). It is also intended to align with the Council's Financial Strategy.

2.1 District context

Council's Long Term Plan provides an overview of the community profile now and over the next 30 years. A brief summary of expected changes, as they may impact on the provision of infrastructure, is as follows:

- A stable or slightly declining population;
- An ageing population, already older than the national average (this impacts on levels of service such as footpath standards);
- A community with an average income significantly lower than the national average; and
- Government regulation, for instance high productivity motor vehicles (HPMV). Council has a significant number of bridges that do not meet the required standard to enable their use by these vehicles.
- While the Covid-19 pandemic has significantly impacted on overseas tourist numbers in the short term, over the longer term a return to increasing demand on infrastructure from tourists is anticipated. There has been and will continue to be investment in tourist attractions within the District.
- In recent years land use changes have not significantly impacted on the infrastructure covered under this strategy (primarily land subdivision has been rural life-style block). Note the combined regional Te Tai O Poutini Plan may create impacts once it is operable.
- The District is potentially at risk from a number of natural hazards – earthquake, tsunami, climate change and flooding – the latter being the most regularly experienced. As part of renewals programmes Council will be

considering the resilience of asset component replacements and also the capacity (for example, stormwater systems).

Future demand

With the exception of the long term return to an upwards trend in tourism numbers, overall, economic and social changes are not expected to drive any significant changes in demand for services other than an ageing population.

Over the next thirty years, the District's population is expected to remain relatively static. Any increase in demand for infrastructure services is more likely to be driven by commercial-industrial changes or a ratepayer desire for expansion of the networks.

Two potential activities where tourism is predicted to impact on infrastructure services are roads and water supplies (refer to relevant sections below for more detail). However, it is noted that in the short term, there will be limited overseas tourists visiting the District.

2.2 Strategic links of infrastructure

Strategic links to Council's purpose, vision and community outcomes are outlined in the following table. Further detail is provided in previous sections of the Long Term Plan. It can be inferred that the purpose, vision and community outcomes are supported by this infrastructure strategy.

Our purpose is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
The Grey District works towards this purpose through our Vision and Community Outcomes.
Our Vision is a <u>Thriving, Connected and Resilient Grey District.</u>
Our Community Outcomes (our goals and aspirations) we aim to achieve are linked to the four Community Wellbeings.

Economic	Social	Cultural	Environment
<ul style="list-style-type: none"> • <u>Strong</u> • Diverse • <u>Sustainable</u> • <u>Prosperous</u> • - 	<ul style="list-style-type: none"> • <u>Safe</u> • Inclusive • <u>Connected</u> • <u>Enabled</u> 	<ul style="list-style-type: none"> • Proud • Unique • <u>Inter-connected</u> • Vibrant 	<ul style="list-style-type: none"> • Bold • <u>Practical</u> • <u>Resilient</u> • <u>Strategic</u>

Key aspects that show the link are portrayed by the underlining of key phrases and words above. While the Infrastructure Strategy does need to deal with the here and now, it is, because of its time span also, future focused.

Achieving these Community Outcomes requires:

- Resilient infrastructure
- A clean reliable supply of water for drinking and firefighting;

- A safe reliable and fit for purpose land transport network;
- Protection of private property and transport corridors from the effects of stormwater; and
- Safe disposal of wastewater.

Our infrastructure activities support a number of Grey District community outcomes, as detailed in each AMP. The primary focus of the roading, stormwater, water supply and wastewater activities is supporting economic activity (thriving, connected) and protecting property (resilient). Water supply and wastewater services to urban, commercial and industrial customers not only contribute to enabling economic activity but additionally support public health and, for wastewater schemes, help protect the environment.

Council's specific objectives for each activity are expressed through the levels of service and performance measures which are described in each AMP and summarised in this Long Term Plan.

3. Significant issues

3.1 Issue 1: Deferred renewals

Possibly the most significant issue facing our infrastructure into the future is what we call deferred renewals. This applies to the Stormwater, Land Transport, Water Supply and Wastewater activities.

Once an asset has reached the end of its useful life, it is expected that it will require replacement (renewal) if Council is going to continue to provide that service. Over previous years Council has been 'sweating its assets' (a term used to describe a way of extending the use of an asset beyond its useful life) in the interests of keeping rates rises down and in order to complete other prioritised and expensive capital projects. This approach increases the risk of unexpected disruptions to service delivery.

A significant and related matter for renewals is the issue of climate change. Given the long life of the proposed renewed infrastructure, part of the decision criteria to proceed with a renewal includes whether it is actually appropriate to renew the infrastructure in the same location and whether increased capacity needs to be provided.

How will we address this?

We have carried out condition assessments over recent years and this information, along with what we already knew (refer '1.2 Current position'), means we now have improved information about the actual expected life of our assets. Using the information from our condition assessments, we now plan to:

- Continue to prioritise the most critical areas requiring replacement;
- Consider the most appropriate solutions for replacing/renewing (eg maybe a pipe can be relined rather than replaced in its entirety); and
- Consider the most appropriate location and size of the asset to be renewed.

How will this be funded?

We are planning to increase rate funding to address deferred renewals, prioritising the areas deemed higher need. Funding also takes into account other requirements such as new capital works for these infrastructure activities and also Council's overall requirements for other activities.

Council's immediate focus is on addressing the more significant needs in Stormwater and Land Transport. We have focussed on our water supply (treatment plants, new townships or extension of supply) and wastewater assets over the last 10-20 years. However overall the age profile of our stormwater pipeline assets raises significant potential issues and this is therefore the focus of our expenditure in three waters renewals. Similarly, road surface and footpath renewals are planned as a priority, as well as starting to address condition and service level based renewals of bridges (including renewals or replacements for structures that are nearing the end of their service life).

For our water supply and wastewater activities, we will continue to address prioritised deferred renewals within our existing budgets. It is planned to revisit the allocation of additional funding towards deferred renewals for these activities at year three for water supply and around year seven for wastewater. This will be continuously reviewed, notably at the next LTP.

The following two graphs illustrate the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-3: Forecast deferred renewals with existing funding level – all infrastructure

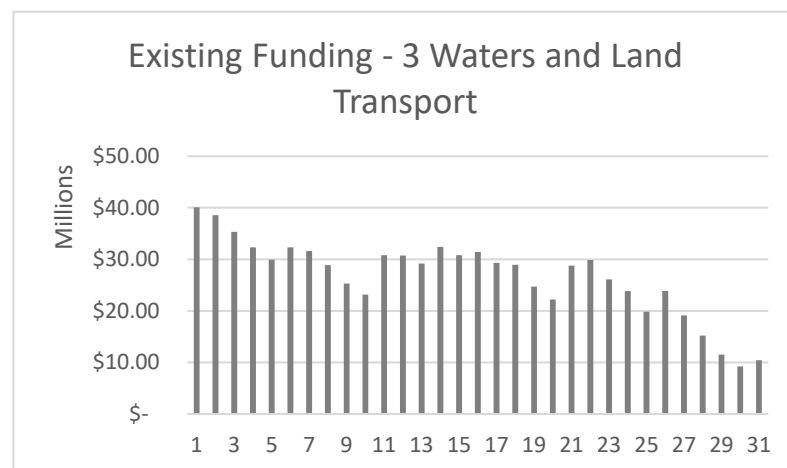
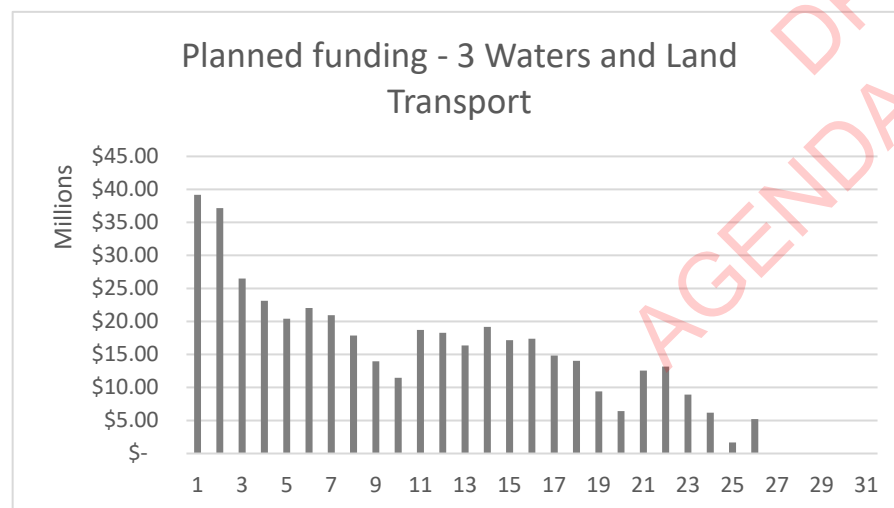


Figure D-4: Forecast deferred renewals with planned increased funding – all infrastructure



3.2 Issue 2: Affordability

Our prosperity depends on the adequate supply of cost effective three waters services to support our community, businesses and community services. However, for many Councils, including ours, the cost of investing in three waters infrastructure, including any additional costs resulting from increased standards and new regulation, can be significant.

In the past our wastewater schemes and water supply treatment schemes have received central government subsidies for the installation to meet legislative requirements (Health Act and Resource Management Act). The new or enhanced schemes would not have been affordable for ratepayers without the subsidies. Therefore a significant issue for the district will be how to afford replacing these scheme components when they come up for renewal without subsidy.

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. We're committed to making sure we deliver value for money in our services, as well as addressing our key issues such as those identified in section 3.1 above, 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, such as increasing funding for our deferred renewals, may cost in the short term but will save larger financial headaches later.

How will we address this?

Council plans on addressing this over the longer term by putting aside enough money for replacement when the time comes (e.g. continuing rate increases for wastewater and water supply treatment schemes over the long term). We will also lobby Central Government for any subsidies which may be available at the time. Council has recently entered in to funding arrangements with the Government to access funding for our Three Waters services, which will reduce the impact on rates.

We have recognised the need to address our infrastructure issues and the costs of doing so in the Financial Strategy. The Strategy's financial goals seek to achieve prudent financial management, not only for the present but also setting out a path to the future. This means recognising and addressing the most critical issues in our renewals from now onwards by increasing the rate of renewals to reduce

backlogs, rather than delaying further these backlogs and thereby incurring increased costs later and increasing the potential for future failures.

Council proposes increasing rates to 9.9% in year 1, capped at 6% for each year thereafter. This will provide funds to address these potentially significant infrastructure issues and allow for reserves to fund required maintenance and renewals, thereby reducing risks and costly failures in the future. While the strategy means reducing risks, risks will still remain as until the backlogs are

removed asset lives will be extended beyond there typical industry service life. That is, assets will continue to sweat.

Based on planned funding levels, backlogs are estimated to be removed by year 26.

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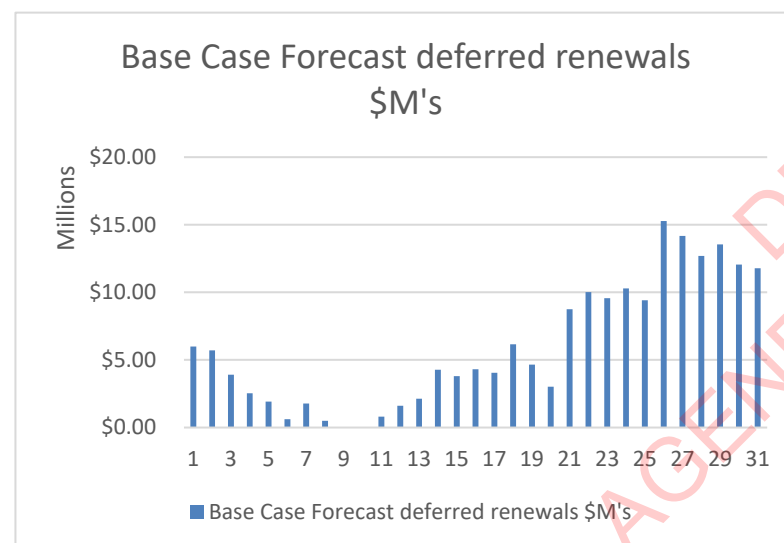
4. Land Transport

4.1 Background

In terms of value, the road network represents over half of the Grey District infrastructure. This activity includes the road surface (pavement), structure, road signs/streetlights, footpaths and bridges.

Our road network of 648 kilometres with a current total replacement cost of \$253.4 million², is generally in fair condition relative to the national average. The following graph summarises the backlog of renewals based age and how they will grow over the next 30 years if Council continues with its current level of renewal funding.

Figure D-5: - Forecast renewals backlog with existing funding level



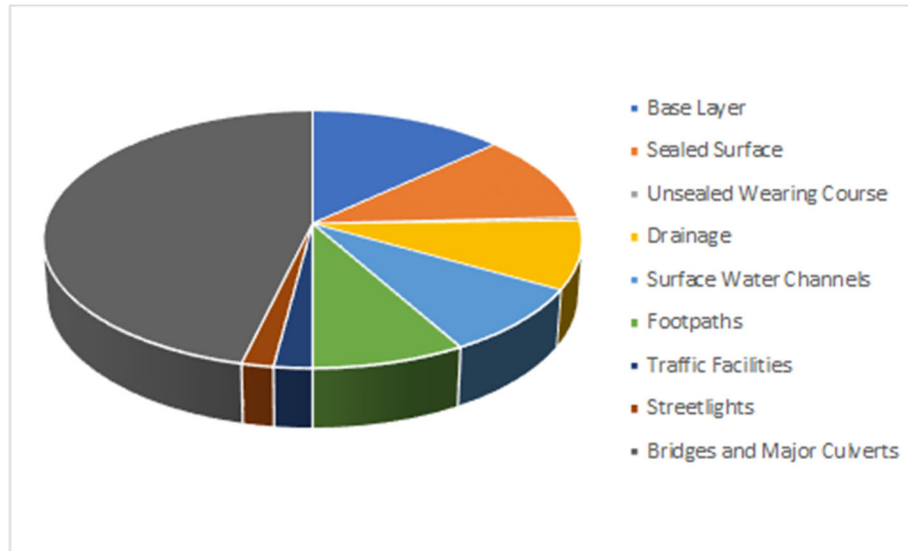
The road formation and sub-base materials are normally not replaced when renewing the asset so this reduces the replacement cost of the asset to \$151.4 million. Of this figure the biggest asset component is bridges, which makes up (46%) as presented in the following chart.

Figure D-6: Asset replacement cost, \$151.4 million

Asset Description	Replacement Cost	% of Replacement Cost
Base Layer	\$19,934,702	13.2%
Sealed Surface	\$16,730,328	11.1%
Unsealed Wearing Course	\$602,846	0.4%
Drainage	\$12,957,132	8.6%
Surface Water Channels	\$13,035,385	8.6%
Footpaths	\$12,435,361	8.2%
Traffic Facilities	\$3,092,703	2.0%
Streetlights	\$2,585,768	1.7%
Bridges and Major Culverts	\$70,002,851	46.2%
Total	\$151,377,076	100.0%

In addition to the most recent revaluation, information in this part of the strategy is based on the combined 2021-2031 West Coast Transport Activity Management Plan, which was a collaboration between Buller, Grey and Westland District Councils.

² Valuation to 30 June 2020



Bridges

There are 209 road bridges and large culverts³ and a further 13 pedestrian bridges in the Grey District maintained by Council. Some key points to note are:

- There are 16 bridges that are posted at less than Class 1 (less than 44 tonnes allowable total load). A further 9 bridges have been identified as needing to be assessed based on their condition. This represents 12% to the total 209 road bridges and large culverts.
- There are 4 bridges with speed restrictions to lessen the impact of loads on the bridge.
- Together with other key criteria, increased emphasis is being placed on condition and capacity assessments to determine bridge replacements and strengthening works.
- There are 48 bridges (23%) that do not have the capacity to allow high productivity motor vehicles (HPMV's) to cross.
- Nine structures have been identified for priority seismic strengthening work.

³ Large culverts are defined as typically rectangular or round pipes with a cross sectional area of 3.4 square metres or greater.

In 2020 the Government set up a number of economic stimulus funds available to Councils and other organisations for infrastructure projects including transport. Council sought and received some of this stimulus funding for replacement of the following bridges over the next two years:

- Rough River Bridge – Atarau Road
- Moonlight Bridge – Atarau Road
- William Stewart Bridge – Taramakau River – Kumara Inchbonnie Road

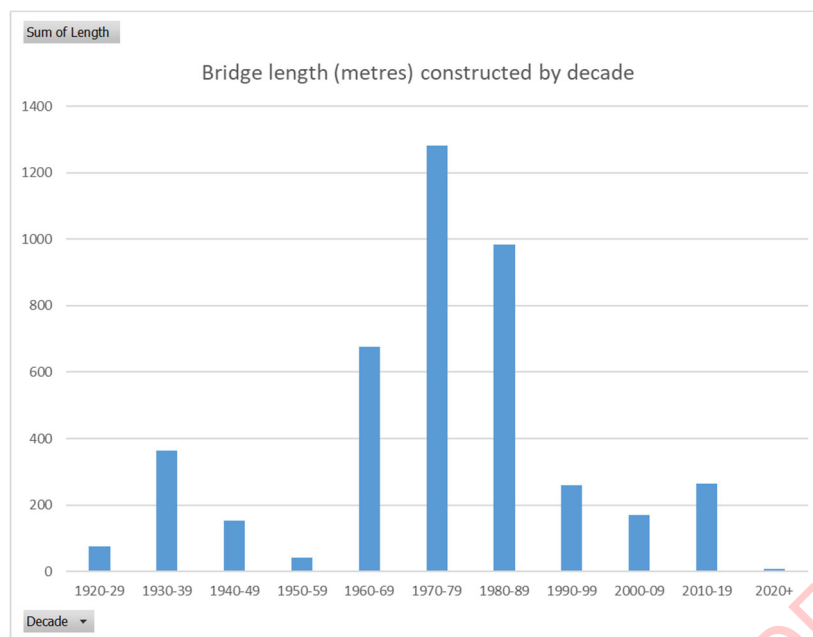
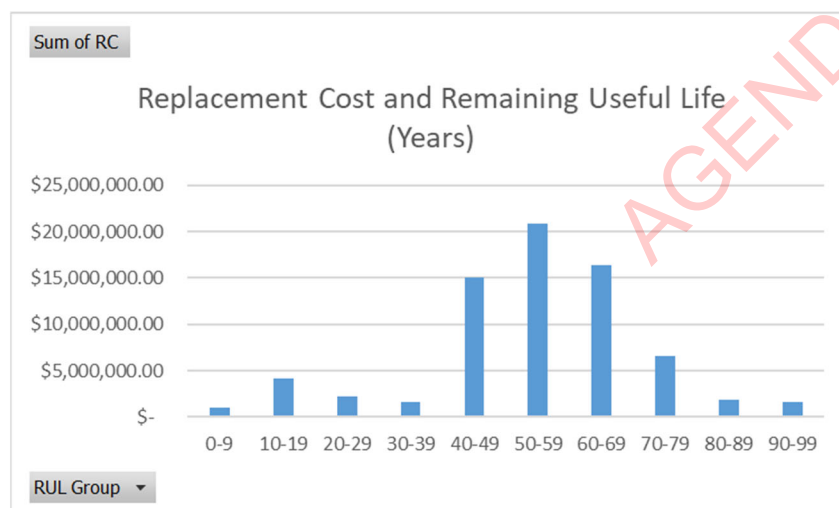
All three bridges are not able to cater for HPMV loads and Rough River, if not replaced, requires significant seismic strengthening.

A Life Cycle Management Plan (LCMP) has been developed as part of the Activity Management Plan. This strategy takes into findings of the LCMP.

Most of the bridges on our network were constructed between 1930's and 1990's as shown in the age profile, Figure D-8. A substantial part of the bridge inventory (\$7.4 million) will be coming to the end of its expected life within this 30 year period (refer Figure D-9). Bridge replacements are initially assessed on the basis of their expected lives. These are then modified by taking into account:

- Routine and structural condition assessments
- Service level impairment such as HPMVs not able to cross
- Seismic capacity impairments
- Other environmental issues such as corrosion of structures in aggressive environments
- Waterway issues (debris build-up and impact of scour and riverbed changes)
- Traffic volumes and traffic demand
- Nature of the traffic using the bridge (such as significant heavy vehicle use)

Maintenance, component renewals, full bridge replacements and upgrades are prioritised using the above criteria.

Figure D-7: Age profile versus total length (metres) of BRIDGES**Figure D-8: Replacement Cost and Remaining Life**

It is noted that the level of renewals appears less than in the previous strategy. This is because the useful life of road bridges and culverts has been reset to 100 years (50 years for pedestrian bridges), whereas previously there was a range of useful lives assumed.

Bridge replacement can be significant one-off cost items. It is also noted that the age profile of Council's bridges shows a cluster over 50 years old, which is pointing to an upcoming potential renewals demand.

The following bridges are currently included in our renewals programme:

Rough & Tumble Bridge and Deep Creek No. 1 Bridge, both situated on Bell Hill Road

Both bridges are currently posted at 80% Class 1 (maximum 44 tonne loads), however the reasoning behind replacement is that they are both hardwood structures that are nearing the end of their useful design lives. The road itself is a strategic link that is becoming increasingly used as an alternative route for heavy transport because it provides something of a 'short cut' for vehicles travelling from the Grey Valley to Rotomanu and vice versa. There has also been recent dairy expansion carried out through Haupiri which has caused this route to become more popular with the tanker drivers.

Stillwater Overbridge, on Stillwater to Blackball Road

Due to age, over dimension and overweight restrictions and increasing use of this route from heavy traffic including 50MAX and HPMV's.

A further six bridges have been identified for condition based replacement. The total cost of replacing these bridges is estimated to be \$1.15 million.

A further 14 bridges are inspected at least annually due to their condition. If they need to be replaced, their total cost is estimated to be \$6.1 million.

Bridge renewal funding continues to be provided for after the above priority replacements are addressed, with the actual bridges to be replaced still to be determined based on bridge assessments carried out in the future.

For all of the above bridges, at least annual bridge inspections are carried out. In addition to considering replacement, future work is proposed to assess if the bridge lives and their components can be extended.

In summary for bridges this strategy includes:

- Based on the LCMP increasing maintenance to bridges, recognising there is need to increase condition based needs to \$365,000 per year.
- Sustaining structures component renewals programme at \$300,000 per year.
- With the support of Waka Kotahi – NZTA, including a new work category for condition based replacement of bridges and structures of an average of \$720,000 in the first three years and thereafter at an average of \$550,000 per year.
- Based on the Seismic Assessment Report as part of the Waka Kotahi - NZTA Low Cost/Low Risk programme, funding \$900,000 of improvements over the next three years.

Council will need to consider carefully how to schedule these replacements to avoid significant financial impacts. This can be achieved by staggering replacements and considering loan funding over shorter terms to smooth the financial impact if required. Refer to our Financial Strategy for the implications of this.

Footpaths

Council's footpath network of 106.8km, serving mainly urban areas, has adequate capacity and is generally in fair condition where it is provided. Not all urban streets have a footpath down both sides.

It is important to continue to ensure our footpaths remain fit for purpose, especially given the Grey District has an increasing ageing population.

Since developing the 2018-2028 LTP, Waka Kotahi (Waka Kotahi - NZTA) have introduced a new financially assisted works category for the maintenance and renewal of footpaths. This enabled Council to double its investment in footpaths to around \$500,000 per year.

Other than ensuring footpaths are safe to use given the ageing demographic, over the next ten years there is unlikely to be a significant increase in demand based on the overall population growth projections for the Grey District. However two trends have been identified:

- Based on a review of resource consent applications and the Census information, including normally resident population and dwellings, **rural residential development** has occurred and is likely to continue to occur in the following Census areas: South Beach-Camersons, Barrytown, Marsden-Hohonu, Arnold Valley and Nelson Creek-Ngahere. This type of demand and the effects on the roading activity will be monitored and are mostly to be managed through subdivision consent requirements.

- **Long-term tourism growth**, including new or developing attractions. Recent pre-Covid examples include new tourist parking and public toilet facilities in Cobden, Blaketown, Rapahoe and the Pike 29 Great Walk (opened in December 2019 by the Department of Conservation). These developments are likely to increase pressure on networks which may need upgrading. Covid-19 has impacted significantly on international tourist numbers. However a recovery in tourism is anticipated in the medium to long term. Urban areas such as Moana and Blackball are identified as areas of future demand.

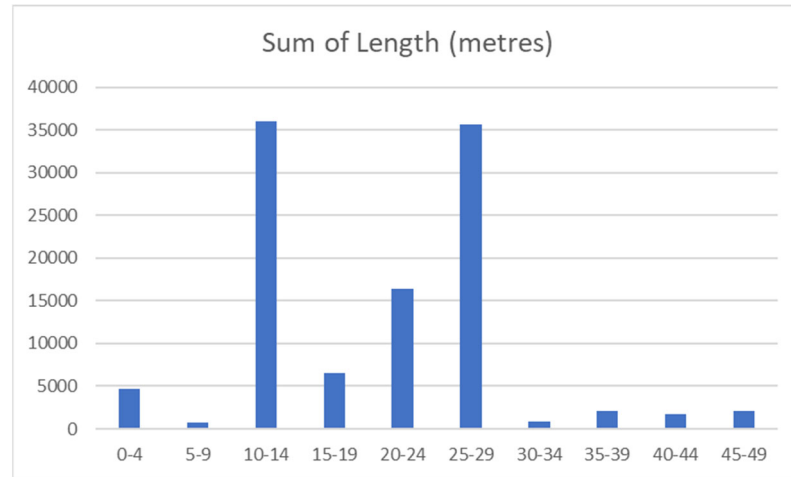
Our focus when it comes to footpaths will be on sustaining and maintaining the current levels of service. We are not looking at providing any extensions to levels of service provided.

Whilst there is a lot of public interest in the issue of footpaths and potentially merit in extending the service in some areas of the District, Council has to prioritise where its limited budget is spent.

The below graph shows the profile of footpaths reaching the end of useful life over the next 50 years. Improved information has been achieved since the last strategy with all footpaths being condition assessed and surface materials recorded. Over 90% of footpaths will need to be renewed over the next 30 years. This is because almost 50% of footpath surfaces are chip seal which has a total useful life of 25 years and 60% of concrete footpaths are older than 30 years (total useful life of 50 years), and although while it has not been able to be assessed some concrete footpaths will be older than 50 years.

A similar approach to bridges is being adopted where condition assessments are also taken into account when planning forward works.

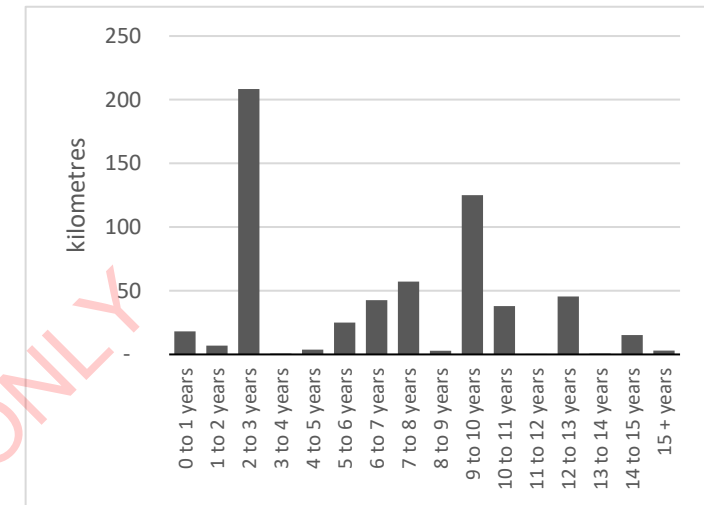
Footpaths that have been assessed as being in very poor condition are 2.9 % of the network by length, which has a replacement cost of \$362,600. Annual depreciation of footpaths has been assessed at \$342,600 per year. This strategy allows for \$200,000 for maintenance and \$300,000 for footpath renewals. Future condition assessments will be used to monitor the sufficiency of these funding levels.

Figure D-9: Remaining useful life by total length (km) of FOOTPATHS

Road and street pavements

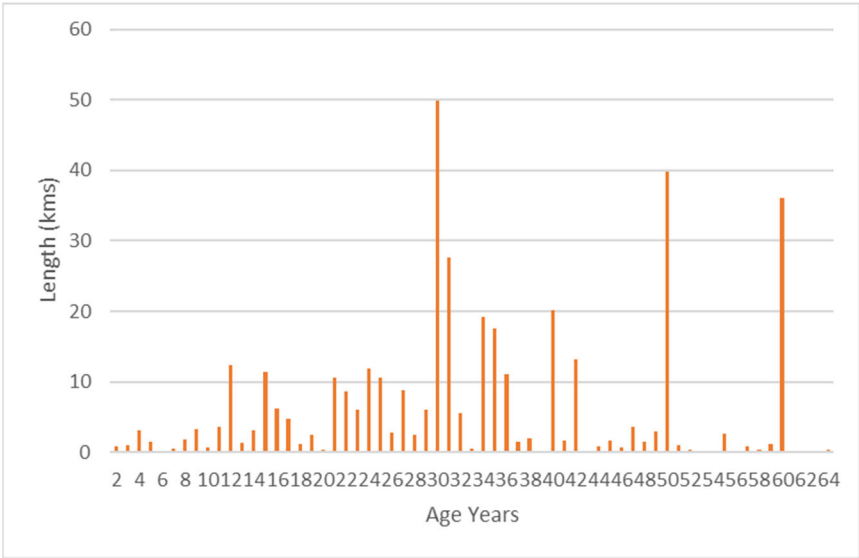
Currently the renewal programmes for pavements (surfaces and pavement structure) are based on a range of inputs such as condition surveys, age, and treatment selection analysis and confirmed by inspection. The remaining useful life profile of sealed pavement surfaces as shown in Figure D-11 shows that Council has a large portion of the network due for renewal over the next three years (66%). This is consistent with the recent practice of renewing less of the sealed network. As part of the AMP a new forward works programme has been developed for sealed surfaces. This is for chip seal surfaces. Council's recent approach of 'sweating the asset' had been adopted to accommodate previous funding reductions. However Council now proposes to increase its funding to achieve an improved rate of renewals of about 20 kilometres per year.

Council also has a small volume of asphalt concrete road surfaces where the surface lasts between 25 to 30 years depending on traffic mix and volumes.

Figure D-10: Remaining useful life by total length (km) of SEALED PAVEMENT SURFACES

The age profile for pavement structures as shown in Figure D-12 indicates significant construction activities took place up until the early 1990's (likely to be development phases), whereas from around the 1990's work has been more focused on renewing (pavement rehabilitation) the asset with less capital improvements and extensions of the network. The latter was driven at the time by primarily the coal industry and to a lesser extent subdivision development.

Figure D-11: Age profile - PAVEMENT STRUCTURE



We need to ensure we continue with sufficient levels of pavement rehabilitation to maintain the integrity of the pavement from age deterioration and traffic use effects into the future. As shown in Figure D-13, 85% of Council's pavement structure is due for renewal within the life of this Strategy. This figure is based on age and assumed total useful life of the pavement layers. As it is noted as above, the above assessment does not include the foundation and subbase layers as typically these layers are not replaced when the pavement structure is renewed.

Noting the potential age issues with sealed surfaces and pavement structures, as part of the development of the Transport AMP a 20 Year Forward Works Programme was developed. One of the findings from this assessment was that the sealed road network is in relatively good condition for traffic volumes and age.

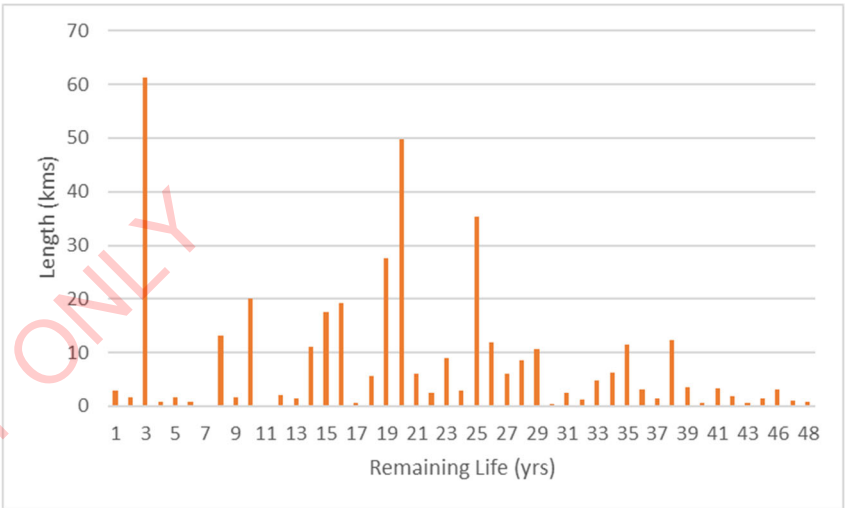
An optimised programme has been developed for the future which includes, where possible, extending pavement age to optimise funding.

Sealed pavement maintenance has been reduced from \$480,000 per year to \$400,000 per year, whereas unsealed pavement maintenance has been increased to \$230,000 per year to address recognised level of service issues.

Sealed road resurfacing has been increased from \$1 million per year to \$1.2 million to recognise the potential seal backlog issue. Pavement structures renewals have been reduced from \$380,000 to \$300,000 per year.

More information on pavement condition and renewal options is provided in the AMP.

Figure D-12: – Remaining useful life by total length (km) of PAVEMENT STRUCTURE



Waka Kotahi - NZTA Financial Assistance

The financial assistance Council receives from the Waka Kotahi - New Zealand Transport Agency (NZTA) will increase from 58% to 63% from the 2021/2022 financial year. It is not expected to change further, however it should be noted that Waka Kotahi - NZTA review their rates every five years.

Council are intending to maintain the level of rates funding and increasing by inflation to this activity over the life of the LTP. Due to the increase in the subsidy rate, this equates to a 5% increase in rates funding activity to start addressing deferred renewals.

It should be noted that Council receives financial assistance from the New Zealand Transport Agency (Waka Kotahi - NZTA) for certain types of works. It makes financial sense for Council to target its money to where it receives the highest subsidy, thus generating more money to spend. For instance at a financial assistance rate of 63%, \$100,000 of rates investment equates to \$270,000 of combined Waka Kotahi - NZTA and Council total available funding for road works and services.

Transport Activity Management Planning, Network and Asset Management

This strategy includes increases funding for Activity Management Planning in the short term. There is a need to enhance data collection and analysis, not only for Council's Road Asset Management Systems but also to meet the requirements for external funding providers such as Waka Kotahi – NZTA.

Over the longer term the strategy also allows for enhanced funding for Network and Assets Management. This is to provide resources to deliver an overall increased works programme and to develop activity management planning further in-house. Such skills as the development of businesses cases are needed to ensure Council can justify future works programmes.

4.2 Issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals for bridges. Nine bridges have been identified for condition based replacement. A further 14 bridges are inspected at least annually due to their condition. If they need to be replaced their total cost is estimated to be \$6.1 million.	1. Using condition based assessments plan for replacement of bridges and renewal bridge and structure components. 2. Using information from seismic review and data from truck load assessments to create prioritisation list for renewal/replacement. 3. Investigate where structural components need replacing versus full bridge replacement. 4. Increase funding to this activity, i.e. rates, financial assistance. Consider loan funding over the shorter term to smooth the effects of large capital expenditure.	✓	✓	✓
Community expectations of footpath maintenance and renewals not meeting Council's planned programme.	1. Continue with an increased Waka Kotahi - NZTA and Council funded programme of \$500,000 per annum on maintenance and renewal of footpaths. (Previous LTP was rate funded only at \$80,000 for maintenance and \$240,000 for renewals per year.) 2. Carry out renewals based on prioritisation programme where the need is deemed most critical and continue to monitor satisfaction levels. If satisfaction levels not considered by Council to be improving then review funding levels for the next LTP.	✓		
		✓	✓	✓
The changing function of the network over time means there are pockets of infrastructure that are no longer fit for purpose, eg age/condition of critical assets, crashes, understrength bridges (seismic resilience/heavy traffic).	1. Reinstate/maintain/increase capacity/service at sites and locations where there are confirmed gaps in levels of service, e.g. improve strength of existing bridges, replace if at end of economic life. Prioritise areas for renewals based on the importance of the infrastructure to consumers and other critical factors.	✓	✓	✓

	2. Maintain quality of asset components so they remain fit for purpose.	✓	✓	✓
	3. Defer renewals.	✓	✓	✓
	4. Rationalise the road network and road assets, where possible based on the One Network Framework to ensure funding goes to areas of greatest need.	✓	✓	✓
	5. Post bridges to reduce loading impact for safety reasons.	✓	✓	✓
	6. Use safety signage and other means (reduced posted speed limits), safety guard rails to reduce impact and safety issues on roads.	✓	✓	✓
	7. More cost effective materials, operations and construction methods, ie concrete line existing pipes.	✓	✓	✓
	8. Continue to lobby Waka Kotahi - NZTA for increased financial assistance rates based on evidence and identified needs.	✓	✓	✓
	8. Continue to lobby Waka Kotahi - NZTA for increased financial assistance rates based on evidence and identified needs.	✓	✓	✓
Resilience of key roading assets, especially bridges, needs to be improved to mitigate potential damage from natural hazards, eg earthquakes.	1. Carry out upgrade works based on priorities established from condition assessments. Strategy provides for \$900,000 of seismic strengthening to priority bridges first three years. Thereafter further review is proposed to identify next highest priority bridges.	✓	✓	✓
The increasing intensity and number of natural events impacts on the security of the network and raises the risk of isolated communities (increasing extreme events, high temperatures, rainfall, road closures).	1. Maintain network asset quality to ensure they remain fit for purpose to the best of Council's ability including ensuring when assets are replaced they take into account capacity and durability requirements relating to climate change	✓	✓	✓
	2. Ensure contracting resources are available to keep roads open or reopened as soon as possible after events.	✓	✓	✓
A constrained transport network. This inhibits the potential for economic development and reliability, as well as heightening the potential for conflict between increasingly different user types in the form of crashes (eg productivity of commercial vehicles, crashes, complaints/service requests, increasing tourist traffic).	1. Monitor trends in the mix and volume of road users and crashes.	✓	✓	✓
	2. Develop and provide solutions where identified issues are occurring such as signage, safety improvements, widened roads, encouraging alternative transport modes (ride sharing, public transport, walking, cycling), strengthening road asset components.	✓	✓	✓

<p>Council has adopted a CBD Redevelopment Plan. Prior to any major works being carried out, it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets 	<p>1. Carry out traffic calming and safety improvement works in the Greymouth CBD area which align with Council's CBD Redevelopment Plan.</p>	✓		
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4.3 Implications of not addressing these issues

- Potential for critical failure if assets are not renewed/replaced in time.
- If assets are not replaced/renewed on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- If not maintaining/renewing/replacing bridges as required, restrictions to weight or speed may have to be imposed.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council's debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service. Effects could include negative impacts on the economy, increased travel times, increased vehicle operating costs, more crashes etc.
- Higher cost if renewing/replacing before the end of the asset's useful life.
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake.
- There may be safety issues if levels of service change, which could increase legal liabilities on Council and increase insurance premiums.
- Lower levels of satisfaction from users in some areas, impacting on Councils' reputation. This is especially relevant to footpaths.
- Funding uncertainty (boundary bridges are co-funded between neighbouring Councils).

Waka Kotahi - NZTA Financial Assistance

The One Network Framework adopted by Waka Kotahi - NZTA may see changes to levels of service and Waka Kotahi - NZTA funding for low volume roads. Refer to the AMP for more information on the ONF.

Climate change

The expected increase in intensity of storms may see a higher level of flooding and droughts with associated road damage. Droughts may accelerate cracking and differential settlement. While limited research is available at this stage, higher temperatures may impact on the melting point of bitumen in sealed roads. Higher melting point bitumens or different road surface materials may be required for the future, which are likely to be at higher costs.

Sea level rise may impact coastal roads. Ongoing monitoring will occur, but at this stage no specific options have been scoped. Currently two areas, being Rapahoe and the southern end of Cobden, have been affected by coastal erosion. Over the life of this plan it is likely that more areas will be affected if projected sea level rise continues.

Council is currently working in a collaboration with the West Coast Regional Council and Buller and Westland District Councils on a combined District Plan for all of the three District Councils on the West Coast, 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. This information once finalised and released will be used by infrastructure service providers, to make

informed recommendations to decision makers as to whether to plan for retreat, relocate infrastructure or protect infrastructure.

Road safety

The number of fatal and injury crashes needs to reduce to achieve Waka Kotahi - NZTA targets for road safety. Council is working with a Road Safety Group of key stakeholders to deliver a Road Safety Action Plan. Most initiatives relate to driver behaviour rather than road safety upgrades, though these do occur as part of the Minor Improvements programme. Together with continuing to promote good driver behaviour this plan will also be reviewing the following across the district:

- Speed limits on all roads
- Need for engineering actions such as more safety guard rails on identified high risk roads.

Resilience

Land Transport is the only activity that has an annual budget set aside for natural disasters - approximately **\$620,000 per annum** is included in the financial forecasts.

Council has various resilience factors and financial resources in place to call upon if an event were to occur, including:

- Financial Assistance from Waka Kotahi - NZTA (funding provided for events with a greater than 1:20 year return period; and
- Disaster Recovery Fund, which from year 5 of the current LTP is set to increase by 1% (\$234,000) of the rate take per year.

4.4 What we’re planning on doing

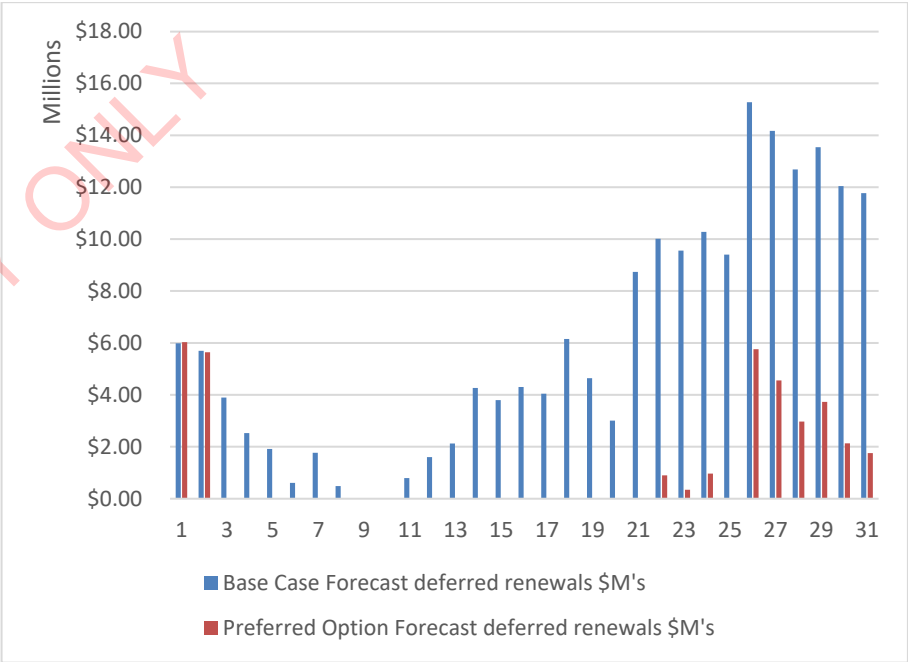
Addressing deferred renewals

Council is planning on increasing funding to this activity. The increased funding will be prioritised towards condition and service level renewals in bridges and pavement surfaces.

We have a number of bridges currently in our renewals programme and we will be investigating the most cost effective and responsible methods of proceeding, ie replacement of structural components versus full replacements. Works will be carried out over the next ten years as the funds become available, based on critical need and a prioritisation basis.

Figure D-14 summarises the assets that have reached the end of their useful life, forecast over the next 30 years and taking into account what Council currently spends renewing (replacing) assets each year plus increase funding of \$30,000 (above inflation) in year one and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation). This creates an overall increase of rates revenue of \$2.2 million by year ten.

Figure D-13: Forecast deferred renewals backlog with planned increased funding (base case included for comparison)



Where the deferred renewals goes into a negative amount (below the line) this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Council already allows for a certain level of footpath renewals in the budgets. Works outside of that will be addressed on a prioritisation basis and will be dependent on available funding.

4.5 Expenditure forecasts

Figures D-14 and D-15 present the expenditure forecast for roads and footpaths. These are based on the following assumptions:

- No seal extensions will occur (other than those created and funded through subdivision developments, if any).
- Expected service lives of the various types of roading asset are shown in Table D-20. Data accumulated over time will allow revision of the service lives, with a view to extending them as far as possible while still maintaining levels of service.
- Pavement rehabilitation of around 1km per year, mainly arterial and collector roads, with patching and resurfacing of local and low volume roads.
- Pavement resurfacing of around 20km per year based on the AMP forward works programme, with this figure to be reviewed in future LTP's.
- Council is not anticipating any significant additional changes to legislation or government policy.
- Despite the increased level of renewal expenditure, Council is not forecasting an associated decrease in operational expenditure as given the sustained level of renewal backlog being carried through the majority of the 30 years existing demands on maintenance (operational expenditure) are expected to be sustained.
- There will be no additional unforeseen events such as natural hazards other than what Council currently budgets for, being primarily storm/flood events which regularly affect road infrastructure.

The financial forecasts for the first ten years of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at using BERL 20 year average.

Figure D-14: Annual Land Transport operating expenditure forecasts – next 10 years

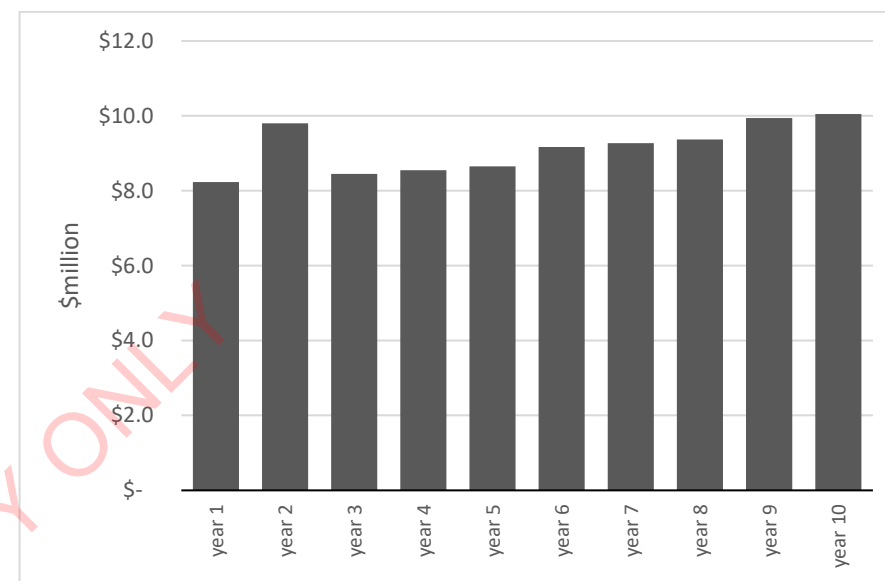
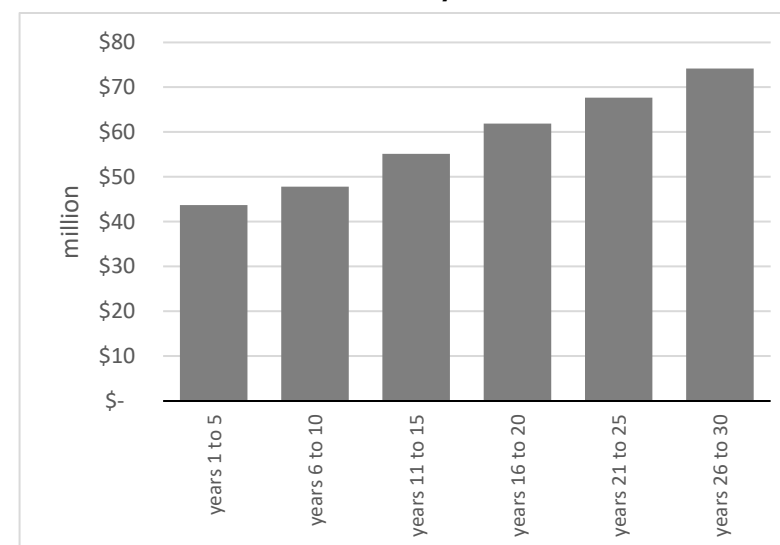


Figure D-15: Five yearly Land Transport operating expenditure forecasts – next 30 years



Capital expenditure

Figure D-16: Land Transport capital expenditure – next 10 years

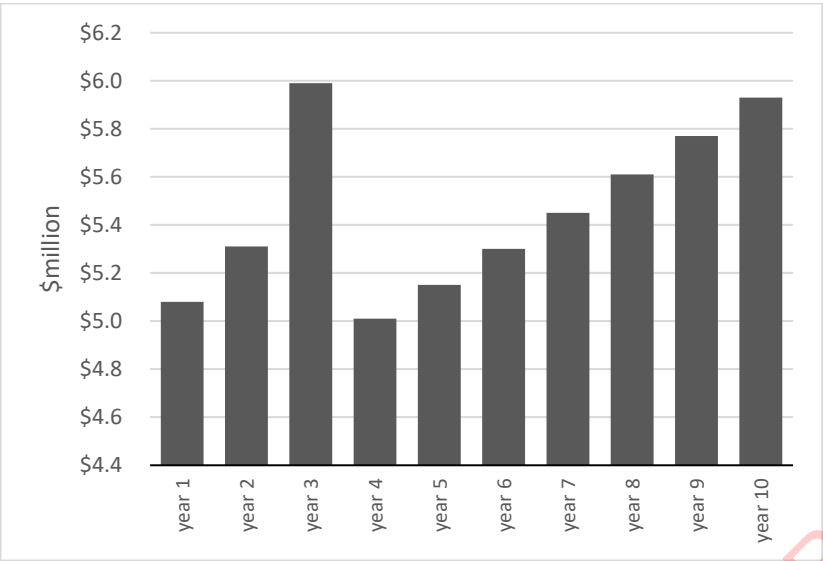
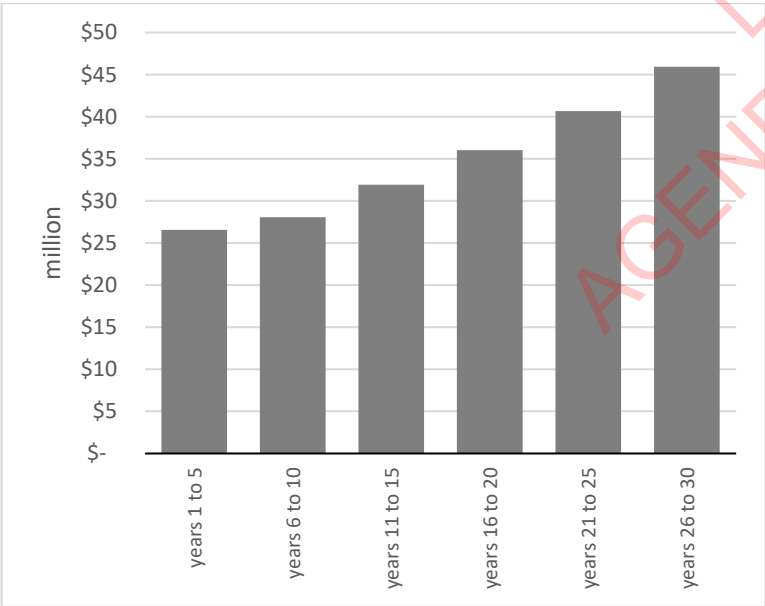


Figure D-17: Land Transport capital expenditure – next 30 years



Levels of service

Based on the information above we are planning on maintaining existing levels of service as the strategy is focused on renewal. Exceptions are:

- While still to be assessed, Stillwater Overbridge may be replaced with a two lane structure (currently single lane).
- Existing Class 1 (44 Tonne) bridges more likely to be replaced with current bridge loading standards unless there is a low need for use by heavy trucks.

Funding

Years 1-10	Council reduced its funding in 2019/2020 due to Covid-19 but this returns funding to pre Covid-19 levels.. Combined with the increase in the Waka Kotahi subsidy from 58% to 63%, this is an increase in funding of \$390,000 in year 1. For years 2-10 annual rates increases range from an additional \$12,000 to \$112,000, including inflation)
Years 11-20	Council has applied approximately 3% rate increase every year 0.5% above estimated inflation directed towards deferred renewals
Years 21-30	Council has also applied approximately 0.5% rate increase every year above inflation directed towards deferred renewals

Table D-18: Expected service lives of major road assets

Asset	Asset Life
Formation	Unlimited
Pavement structure (sealed/unsealed)	25 to 50 years
Sealed pavement surfacing	8 to 15 years
Unsealed pavement surfacing	1 to 3 years
Drainage – culverts (up to 3.4 square metre end area)	50 to 100 years
Traffic facilities	5 to 15 years
Streetlights	15 to 25 years
Bridges and large culverts (3.4 square metre end area and above)	50 to 100

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5. Water Supply

5.1 Background

Since 2008 Council has spent approximately \$7 million invested in upgrading schemes to comply with New Zealand Drinking Water Standards (NZDWS). This includes projects at Blackball, Stillwater, Taylorville, Greymouth and Runanga.

Connection of the Stillwater community to the Dobson-Taylorville Supply and the connection of this community to the Greymouth Supply in 2016 has resulted in a more effective, efficient and resilient water scheme with improved water quality.

At present Council is about to release a contract to connect the township of Kaiata (currently on rainwater tanks) to the Greymouth Scheme and extend the service to also include the Kaiata Park Developments area.

While the treatment plant for Runanga-Rapahoe has been upgraded, Council is unable to commission the plant without further investment in chlorination treatment to meet revised requirements from the Ministry of Health for an approved Water Safety Plan. In the meantime the townships are connected to the Greymouth Scheme which is a compliant scheme. At this point Council is considering its options of either continuing to proceed with the standalone scheme for Runanga-Rapahoe or retain the connection to the Greymouth Scheme.

Unless there are unforeseen changes to regulatory standards (resource consent conditions at water takes or drinking water standards), or the schemes do not continue to meet current consent conditions, no major upgrades are expected in the 30 year period. The one exception is for the Greymouth Scheme; replacing the reservoir for resilience reasons and increasing the reservoir capacity to meet minimum water supply reserve capacity for fighting urban fires.

Council has received advice that following the Havelock North Drinking Water Inquiry, an increase in required Drinking Water Standards is “more likely” than less likely. While there are no details as to what this could involve, it is assumed the outcome will be that all water supplies will be required to be treated.

In addition, the Government has established Taumata Arowai, a new Drinking Water Regulator and is considering through a nationwide review and information gathering exercise changing the organisational structure of drinking water suppliers. The stated preference of Government is for larger organisational structures but there is as yet no specific detail on these reforms. Council has therefore continued to plan for this activity, on the basis that communities will continue to need water supplies regardless of which entity is delivering them.

At present all Council supplies in the Grey District are treated with chlorination and UV filter.

It is not known if any proposed Drinking Water Standards changes will require an increase in the level of treatment. If they do, it means additional costs for properties connected to the remaining water supply schemes in the Grey District. As there are no details on any changes, no provision for this has been included in the LTP.

Our water schemes

Council currently has two operational water schemes:

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

Note: While the Runanga water supply has been upgraded, it has not been commissioned and that community is currently connected to the Greymouth water supply. A decision to proceed has been deferred pending the outcome of the Three Waters reform.

It should be noted that Council may be asked to take over the operation and maintenance of various community run water supplies. If this occurs, any proposal would need to be assessed in the context of the current reforms, and also at that time assessment would need to be undertaken to confirm if they meet in full all the standards required of a Council managed water supply scheme. No budget for this has been included.

Figure D-19: Water infrastructure and distribution

	Greymouth	Blackball	Runanga/Rapahoe*
Number of connections	4,286	204	650
Bacterial compliance – treatment plant	Yes	Yes	Yes
Protoza compliance – treatment plant	Yes	Yes	Yes
Bacterial compliance – reticulation zone	Greymouth – yes	Yes	Runanga – yes

Cobden – yes

Rapahoe – yes

* Note: While the Runanga water supply has been upgraded, it has not been commissioned and that community is currently connected to the Greymouth water supply. A decision to proceed has been deferred pending the outcome of the Three Waters reform.

The above information is for the period 1 July 2019 to 30 June 2020 and is published by the South Island Drinking Water Assessment Unit.

All schemes for the compliance period met requirements for bacterial and protozoa protection including the Runanga Scheme, as it was and currently remains connected to the Greymouth Scheme.

Blackball is protected, but a turbidity issue in the raw water bladders led to operational issues and is planned to be resolved .

An intermittent chemical non-compliance is occurring in the Greymouth Scheme. This is caused by a build-up of disinfection by-products in the distribution zone, which is happening because of high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. At this stage the advice is to monitor the situation to learn more about the issue in order to determine appropriate solutions. The situation may be aggravated by older-externally rougher pipes retaining build up on the inside of the pipes. This plan allows for an investment to be considered in year's 4 to 10 of the LTP.

Condition of water network assets

Figure D-20 indicates the approximate date of construction and age profile of the water supply pipe network in ten year brackets.

Figure D-20: Age (years) profile of Water Supply pipes

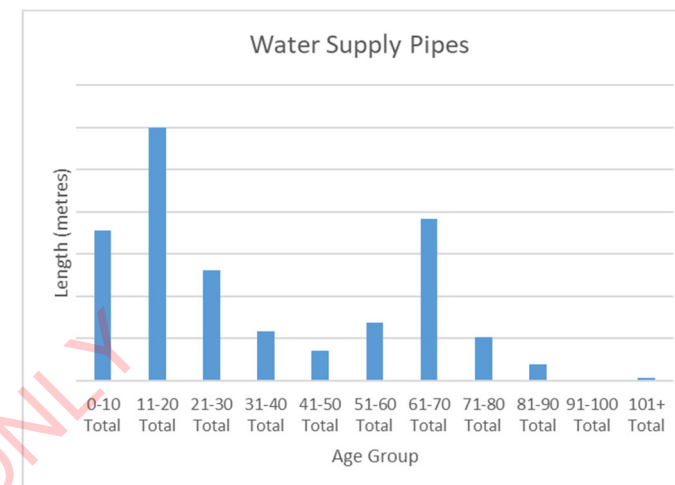
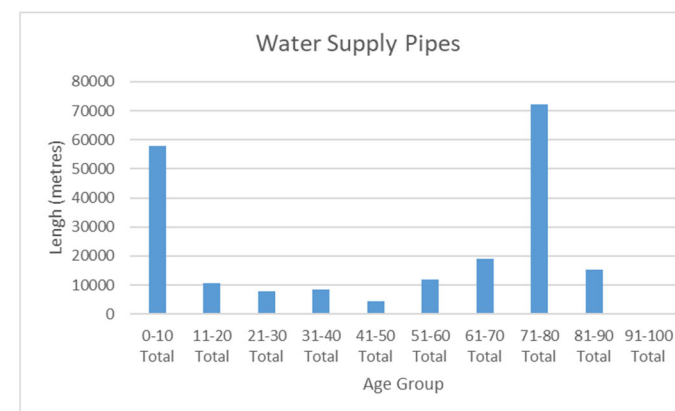


Figure D-21: Remaining useful life profile of Water Supply pipes



Significant condition assessments have been completed for water supplies. This assessment confirms what the age profile assessments also indicate, that there is a backlog of deferred renewals which will need to be addressed. This strategy proposes that stormwater renewals are addressed immediately as a matter of priority, with additional funding to increase water supply renewals provided from year 3. Condition assessments are ongoing.

The condition assessments provide us with more accurate and reliable asset knowledge which will be used to prioritise future renewal and replacement works.

Map of renewals backlogs

The following table provide a good picture of the level of renewals required for this activity. This table show that older pipes that are past their potential use-by date exist in the more earlier established communities. This is about 47 kilometres of pipe (23%) that is past its use-by date.

LEGEND:

Deferred renewals - requires addressing

Renew within term of Infrastructure Strategy

Renew after Infrastructure Strategy

Sum of Quantity / Length (metres)	Water Supplies			
Community	Beyond 30 Years	Deferred, Renew Now	Within 30 Years	Grand Total
Ahaura	0.87		-	0.87
Blackball	10,944.90	427.70	797.91	12,170.51
Blaketown	5,313.56	1,841.75	3,544.47	10,699.78
Cobden	10,473.54	2,870.66	6,971.21	20,315.41
DOBSON URBAN	2.55		-	2.55
Dobson/Taylorville	8,628.06	6,685.05	2,245.08	17,558.19
Greymouth	45,243.89	12,850.09	11,216.30	69,310.28
Iveagh_Bay	38.14			38.14
Karoro	10,672.57	2,094.19	2,418.55	15,185.31
Moana	1,322.84		-	1,322.84
RAPAHOE	23.00		-	23.00
Runanga	14,996.90	20,188.85	1,295.02	36,480.77
Rural	3,551.00	-	19.77	3,570.77
SOUTH BEACH		-		-
South_Beach/Paroa	16,641.35	-	22.04	16,663.39

Stillwater	3,172.90	483.88	824.87	4,481.65
Grand Total	131,026.07	47,442.17	29,355.22	207,823.46
% Total Length	63%	23%	14%	100%

Greymouth water reservoir

The Greymouth water reservoir at Omoto, having been constructed in 1904, is now over 100 years old and past its useful life. As well as requiring renewal, it is currently located on land which has been identified as a high seismic hazard. In the event of a major earthquake, it would be very likely that the reservoir would be damaged and we would lose our water supply.

Council agreed to part fund the replacement of this reservoir to separate reservoirs for Cobden and Greymouth. Council is funding around \$1 million in the 2020/2021 year for Cobden and the Government, as a result of business continuity initiatives relating to Covid-19 and the 3 Waters Reform, have agreed to fund the additional renewals and increased capacity requirements of about \$4 million. This work is scheduled for completion in the first year of this LTP and since it has already been funded is not reflected in financial forecasts.

Future demand/upgrades

Significant (generally over \$100,000) changes to demand and upgrades for other reasons have been identified as follows:

- Tourism growth:
 - Increased capacity to the Blackball Scheme of \$500,000 commencing in year 4. This project is signalled for the next LTP. Demand will be monitored over the first three years of the 2021-2031 LTP and, if required, the proposal will be consulted on in the 2024-2034 LTP and budgets included.
 - New scheme for Moana, estimated cost of \$2 million, driven by subdivision to meet by domestic tourism demand and size of township – increased safety for fire fighting commencing in year 4. This project is signalled for the next LTP and is subject to consultation. Demand will be monitored over the first three years of the 2021-2031 LTP and, if required, the proposal will be consulted on in the 2024-2034 LTP and budgets included.
- New 'wet' industry requiring water supply:
 - None identified.
- Zone Changes through Te Tai o Poutini Plan (One Plan):

- None notified at this stage, although the proposed timeline for *Te Tai O Poutini* One District Plan shows this will occur during this LTP period.
- Natural hazards assessment. It has been signalled that the new One Plan will include updated hazards assessments which, following extensive community consultation, will underpin new planning zones in the region. This will include identification of areas subject to hazards and the effects of climate change. This is likely to impact on but not be limited to existing developments in coastal areas. This matter is likely to become more significant for future LTPs, if retreat from high risk areas is proposed. Retreat may involve closing down and removal of infrastructure and the potential creation of new supporting infrastructure in new development zones.
- Availability of land for development. Potentially more rural land will be zoned residential. This will trigger the need to upgrade the capacity of existing infrastructure and/or provide new infrastructure. This effect will need to be largely funded by those parties who seek to develop any new areas.
- Community Demand:
 - Gladstone–Camerons Area water supply and wastewater – \$100,000 (\$50,000 from water supply and \$50,000 from wastewater) included for a feasibility study in year 1. This project will then be assessed and, if required, will be consulted on and budgets included in the next LTP at an estimated cost of \$3.5 Million.
- General Growth and Climate Change, as well as more intense storms climate change signals longer dry periods:
 - Additional intake Bore at Coal Creek for Greymouth Supply - \$250,000 in year 1. (Also predicted to be needed if continuing with the option of supplying Runanga-Rapahoe community with drinking water from the Greymouth Scheme.)
- Resilience:
 - New link main between Dobson and Kaiata Townships - \$300,000 in year 4. This project is signalled for the 2024-2034 LTP, with demand being monitored over the first three years of the 2021-2031 LTP.
 - Will be taken into account with respect to the replacement of existing infrastructure including the appropriate location of replacement infrastructure.
- Compliance and Management:
 - Investment in supervisory control and data acquisition systems (known as SCADA) to meet and improve the management, compliance and reporting requirements for waters supplies to the Ministry of Health and the new water supply regulator, Taumata Arowai. \$100,000 in Year 1, may be funded through the Government's 3 Waters Reform stimulus funding.
 - The Greater Greymouth Water Supply Master Plan recommends a focus on demand management through splitting the current reticulation into district metered areas (DMA's) and monitoring the use in each area with flow meters. Those areas showing high use can then be prioritised for focussed investigations and funding. Installation of additional zone area trunk main water meters has been included at \$75,000 per year for years 1 to 5 of the LTP to identify and isolate high water leakage areas in the pipeline networks.
 - Management of chlorine residuals commencing in Year 4 at \$100,000 per year.
- General:
 - Enhanced Leak Detection Programme - \$50,000 in years 1 and 2.
 - Enhanced Pipe Renewal Programme - \$440,000 in year 1, funded through the Government's Three Waters Reform stimulus funding.

It is noted that the replacement reservoirs for Greymouth are being funded by Council (\$1m), Provincial Growth Fund (\$1m) and DIA (\$2.7m) and are due for completion in 2021/2022.

5.2 Issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	1. Increase funding levels, i.e. from targeted rates from year 3 onwards. 2. Carry out upgrade works based on priorities established from condition assessments. 3. Pressure reduction to extend the life of assets where feasible and acceptable to consumers. 4. Improve efficiencies. 5. Utilise more cost effective materials, operations and construction methods.	✓	✓	✓
Ownership of Community Infrastructure Assets. A direct issue as who owns and who will fund this infrastructure asset affects who will make decisions and who will be in a position to plan for future investment.	1. Status Quo <ul style="list-style-type: none"> Potentially not an option if the Government enacts new legislation for change 2. New Organisational Structure <ul style="list-style-type: none"> Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making. 	✓		
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk.	1. Retreat of residential and other developments <ul style="list-style-type: none"> May mean removal and/or relocation of infrastructure including protection works at a new location 2. Protect existing residential and other developments <ul style="list-style-type: none"> Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. 3. Other strategies instead or as well as above options such as: <ul style="list-style-type: none"> Reduce carbon heat emissions to slow down, halt and reverse global warning. 	✓	✓	✓
Te Tai o Poutini Plan (One Plan) – Management of risks from natural hazards and climate change The TTP Plan will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change.	✓	✓	✓
Te Tai o Poutini Plan (One Plan) – Increase in Urban Zoned Land	1. Monitor progress on consultation and adoption of the One District Plan and promote funding of urban expansion through financial contributions.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
	2. As for option 1 but also promote urban renewal options to promote the effective and more efficient use of existing infrastructure.	✓	✓	✓
Damage to water supply network components from natural hazards, eg earthquakes.	1. Improve the resilience of schemes as budgets allow, e.g.:	✓	✓	✓
	○ Ensure the provision of main reservoir pipeline burst valves to stop reservoirs draining water if pipelines are broken during earthquake	✓	✓	✓
	○ Use flexible pipelines in replacements	✓	✓	✓
	○ Bolt down all equipment and pumps	✓	✓	✓
	○ Undertake longer term assessments on buildings and structures.	✓		
	○			
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	1. Upgrades to be investigated if required. Note: No funding has currently be allowed in the budgets for any future changes.	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	1. Council will remain receptive and support community initiatives when approached. See projects identified above and included.	✓	✓	✓
	2. Council will continue to consult with developers to determine demand and capacity requirements. See projects identified above and included.	✓	✓	✓
Water supply is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its water supply network to the best of its ability	✓	✓	✓
Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.	1. Revise CBD Renewal designs to accommodate existing underground infrastructure.	✓		
	2. Provide funds to relocate or protect existing underground infrastructure.	✓	✓	
<ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>				

5.3 Implications of not addressing these issues

- Potential for critical failure if assets are not protected/renewed/replaced/relocated in time.
- If assets are not protected/replaced/renewed/relocated on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council's debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage).
- Lower levels of satisfaction from users in some areas, eg potential for lower quality of drinking water or pressure (ie colour, taste, flow rates).
- Higher cost if renewing/replacing before the end of the asset's useful life.
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake.
- Lack of stored water available in the event of a fire fighting emergency.
- Public health/safety issues.
- Impact on Council's reputation.
- Quality of drinking water won't meet current or future drinking water standards. Water Supply Regulator may impose fines or other punitive measures.

Ageing pipes

There was a significant network of asbestos cement and brittle water pipes added to the networks in the 1970s, some of which is starting to require higher rates of repair - refer Table D-22 below.

Table D-22: Water Supply Pipe expected average service lives

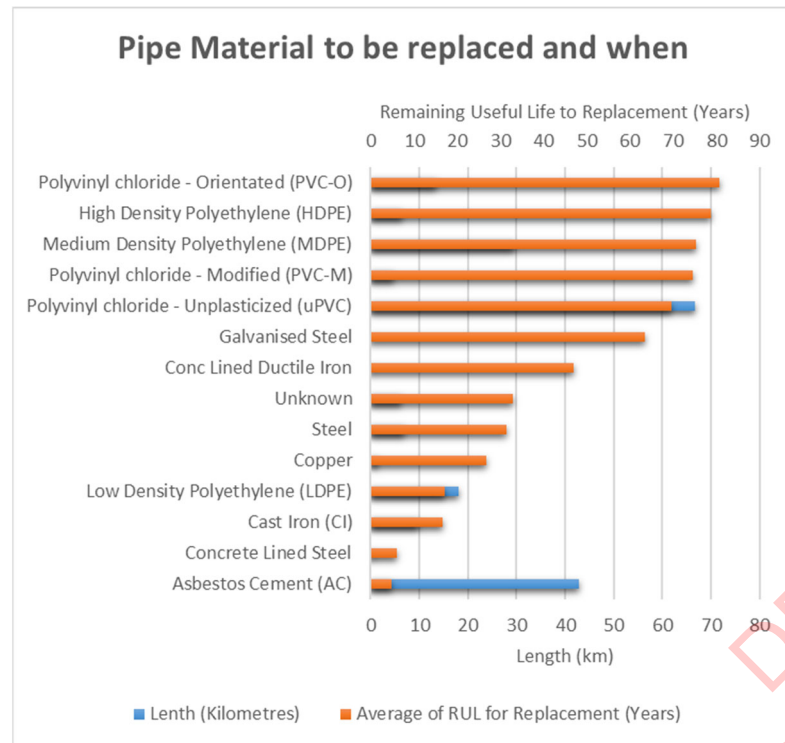
Detailed Description	Expected Service Life (years)	Average of Age	Length (metres)	% Total Length	Average of RUL for Replacement (Years)
Asbestos Cement (AC)	50-60	59	42900	20.7%	5
Concrete Lined Steel	60	68	585	0.3%	6
Cast Iron (CI)	90	75	9737	4.7%	17
Low Density Polyethylene (LDPE)	40-90	35	17988	8.7%	17

Detailed Description	Expected Service Life (years)	Average of Age	Length (metres)	% Total Length	Average of RUL for Replacement (Years)
Copper	50-70	43	1407	0.7%	27
Steel	80-90	57	6909	3.3%	31
Unknown	60-70	38	6345	3.1%	33
Conc Lined Ductile Iron	60	14	420	0.2%	47
Galvanised Steel	80-90	25	141	0.1%	64
Polyvinyl chloride - Unplasticized (uPVC)	80-90	20	66762	32.2%	70
Polyvinyl chloride - Modified (PVC-M)	90	16	4766	2.3%	75
Medium Density Polyethylene (MDPE)	50-90	13	29572	14.2%	75
High Density Polyethylene (HDPE)	80-90	4	6559	3.2%	79
Polyvinyl chloride - Orientated (PVC-O)	80-90	5	13517	6.5%	81
Totals		27	207607	100.0%	51

RUL means Remaining Useful Life. Figures are averaged, which means some pipes are beyond their predicted service life.

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions, and original installation standards for specific areas.

Aspects of the above table are also shown in graphical form in the figure below. This also shows that AC pipe and brittle pipes are at or near the end their service life.

Figure D-23: Pipe Material to be replaced and when

These ageing pipes represent a high percentage (26%) of pipework and are projected to need replacing after their estimated year lifespan. Options include:

- Proactively replacing, focusing in critical – high importance areas first; and
- Continuing to repair on failure until maintenance costs exceed the cost of replacement or reliability level of service targets are not met.

These works will be carried out within available budgets.

The cost of handling the asbestos pipes are covered within the financial forecasts and the pipes are left in-ground in many instances.

Natural and technical hazards

Increased drought periods due to climate change may increase urban demand. Other than climate change, the water supply network could be adversely affected by earthquake given that approximately 26% of Council water reticulation is made up of older Asbestos Cement and brittle pipework. Major flood washouts and power

supply failures could also adversely affect Council's ability to provide an uninterrupted service to residents. Details of mitigation strategies are included in Council's Asset Management Plans.

5.4 What we're planning on doing

Over recent years Council has upgraded a number of water supplies to meet current treatment standards. Parts of the existing water supply pipe network are nearing the end of useful life and Council is faced with addressing a backlog of renewal work to maintain the existing levels of service.

In addition to pipes, in the next 30 years other components of the water supplies will also need to be replaced such as pumps and electrical control systems.

Address deferred renewals

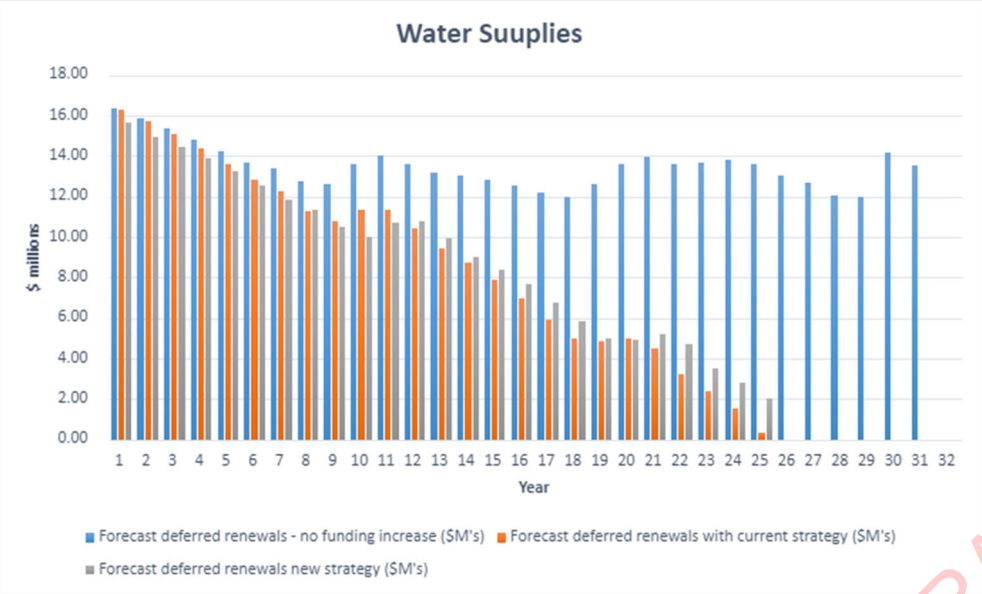
Council intends to continue with increasing rate funding to this activity from Year 3 onwards, so that we can address the required renewals on a prioritisation basis. We will initially concentrate on replacing critical components.

The following graph illustrates the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on no increases in levels of renewal investment (that is prior to 2018-2028 LTP changes); versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

It is noted that this strategy is similar to the previous strategy with additional renewal investment in year 1 of \$440,000 (DIA funds) and annual increases commencing from year 3, however due to future renewals falling due on top of renewal backlogs, it is likely to take about till year 24 to reduce the backlog in deferred renewals.

Figure D-24: Forecast deferred renewals backlog with existing funding level



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Comparing across the Strategy, the backlog of renewals is addressed in a similar time frame to the Stormwater activity. The effect of the strategy will be monitored and reviewed for the next LTP given the criticality of the water supply being deemed higher than other activities and the consequences of a loss/reduction in service considered more severe.

Levels of service

Council is mostly looking to maintain existing levels of service and the required renewals will ensure we can continue to provide the existing service to consumers.

Exceptions to this include:

- Recognising the need to address other demands outlined above.
- Increased focus on leak detection, thus providing an improved service.
- Renewed pipes will be upgraded to meet Fire Fighting Standards.

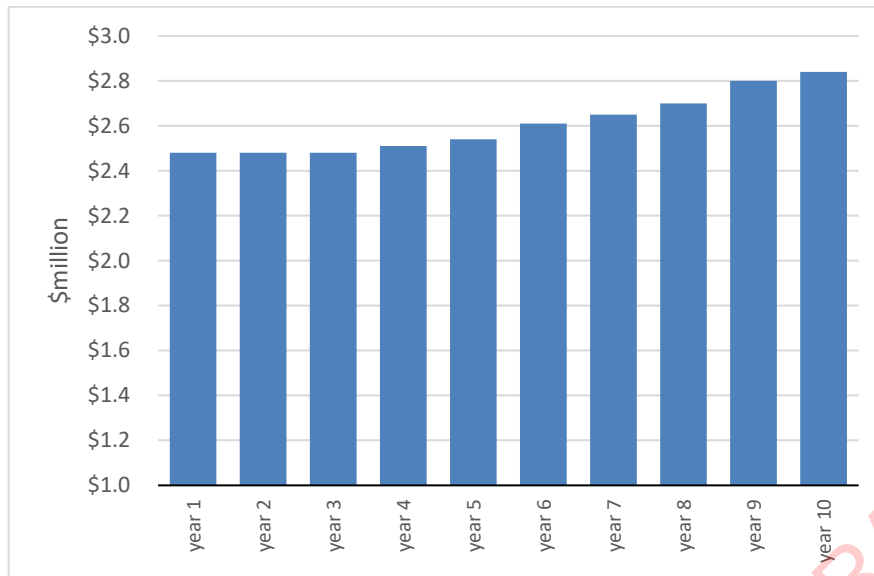
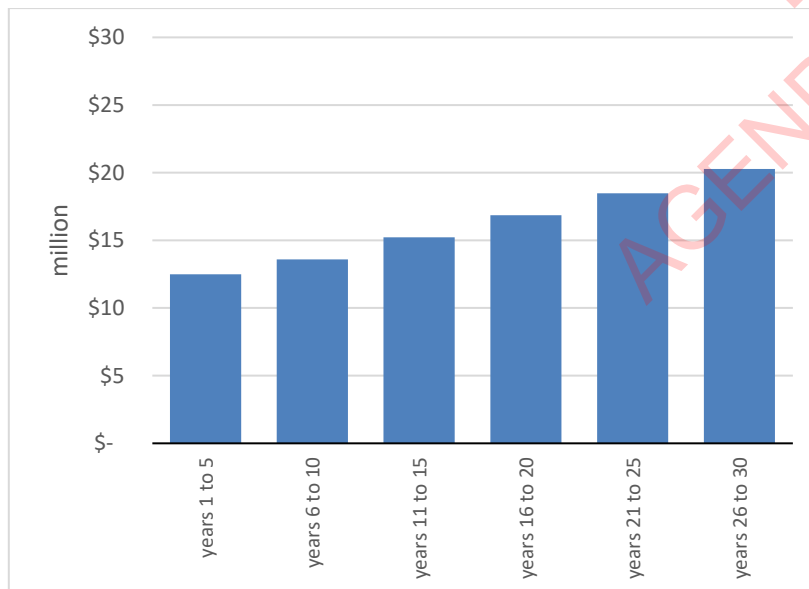
5.5 Expenditure forecasts

The graphs on the following page presents the operating forecasts for the water supply activity. These are based on the following key assumptions that outline the **most likely scenario** for the District:

- Further regulatory changes are unknown and any associated investment has not been budgeted for (although it has been signalled that increases to the Drinking Water Standards are “more likely” than “less likely”, these potential changes have not been included in this plan due to the lack of details available);
- Demand (quantity) will remain relatively unchanged, or at least will not increase to an extent that capacity upgrades are required. The exception could be tourism demand and District Plan changes (which are unknown). These this will be monitored over the life of this plan;
- Levels of service will remain unchanged, with the exception that as pipes are renewed they will be upgraded to meet Fire Fighting Standards where required and built with more modern, resilient materials;
- Provision for replacement of assets will be as forecast by the renewal model set out in the Activity Management Plan and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community;
- The financial forecasts for the first ten years of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at the BERL 20 year average rate.

Any significant capital works upgrades required to extend the network to new customers or provide supply to major new users would be considered on a cost recovery basis.

Other initiatives such as leak detection and repair of leaking pipes will be funded from maintenance and renewals. This will improve the level of service to that community.

Figure D-25: Annual Water Supply operating expenditure forecasts – next 10 years**Figure D-26: Five yearly Water Supply operating expenditure forecasts – next 30 years**

Capital expenditure

- One off capital expenditure items are signalled above in the section on Future Demands/Upgrades
- The increased funding for deferred renewals is summarised in the table and figure below.

Funding

Years 1-10	Year 1 of the Plan includes subsidies from PGF and the Three Waters Reform Fund for major capital projects, with deferred renewals being addressed through rates funding from year 3 onwards, with a \$64,000 plus inflation (0.3% rates increase from 2023/2024) increase per annum year on year, ie cumulative increases.
Years 11-20	Increases continue to address the backlog and more assets falling due for replacement.
Years 21-30	Increases cease around year 24 after which Council continues funding renewals at levels close to that of the depreciation expense

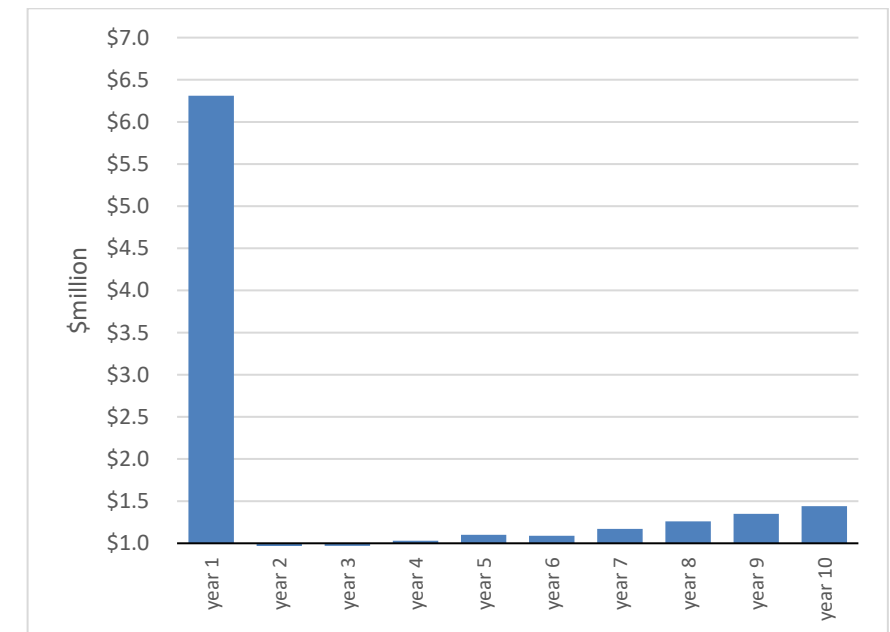
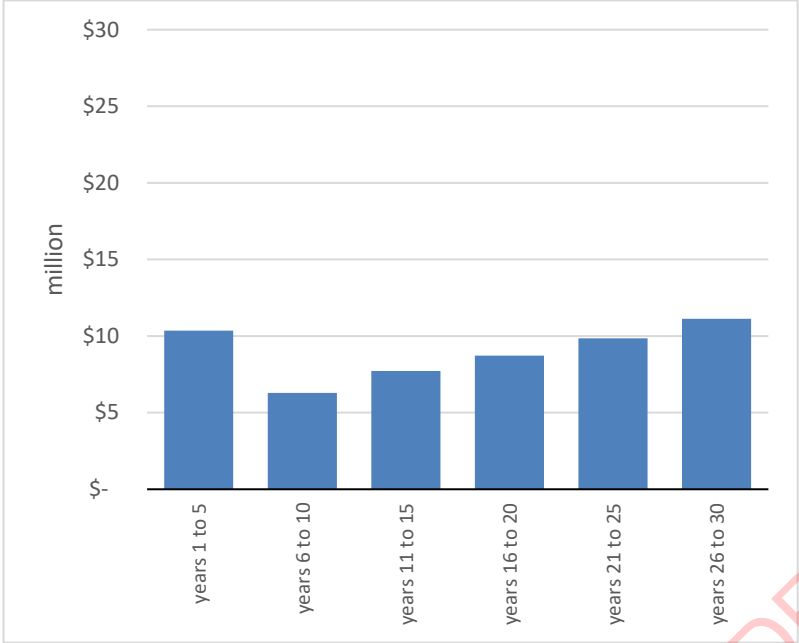
Figure D-27: Water Supply capital expenditure – next 10 years

Figure D-28: Water Supply capital expenditure -next 30 years



6. Wastewater

6.1 Background

Many of the original wastewater schemes were constructed in the last 50 years with around 95% of the pipe network built since 1970. Figure D-29 indicates the construction periods and age profile of the wastewater pipe network.

Council has invested heavily in wastewater infrastructure with the installation of a new separated sewer reticulation and treatment facility for the Greymouth scheme (\$38 million). Council has also completed the Taylorville, Dobson and Kaiata Scheme (\$7 million), which will utilise treatment capacity at the new Greymouth treatment plant. All treatment plants were designed and constructed to meet environmental requirements as set out within resource consents and respective standards. These standards are aimed at ensuring that effluent discharges do not negatively impact receiving water quality and the environment.

Discharge consents are in place for all treatment facilities. Council expects to be able to continue to comply with consent conditions imposed and does not foresee any undue issues in renewing consents under current standards.

Within the last ten years, the Greymouth wastewater treatment plant has been constructed and is operational. During the same period, the existing combined stormwater and sewer pipes were replaced with new sewer only pipes. Most of this separation work is complete by the commencement of this Plan.

Individual properties within the Greymouth scheme area are required to connect to this scheme and around half of affected properties have connected to date. This figure includes Dobson, Taylorville and Kaiata communities which are now connected to the Greymouth Scheme.

To enable the Greymouth wastewater treatment plant to run optimally, we need more properties connected to it. Council is now requiring property owners to do this and if they do not within a 2 year notification period Council is making arrangements to connect the property.

In addition, Council has also progressively upgraded treatment facilities throughout the district over the past decade. The Moana, Karoro/South Beach & Paroa facility capacities were upgraded around ten years ago and the Blackball scheme reticulation and treatment facility (\$2 million) was constructed in 2008.

Alongside our water supplies, the Government is considering through a nationwide review and information gathering exercise changing the organisational

structure of wastewater service delivery. The stated preference of Government is for larger organisational structures but there is as yet no specific detail on these reforms. Council has therefore continued to plan for this activity, on the basis that communities will continue to need wastewater services, regardless of which entity is delivering them.

Condition of wastewater network assets

Figure D-29 below indicates the approximate date of construction and age profile of the wastewater pipe network in ten year brackets.

Figure D-29: Wastewater pipe network age profile

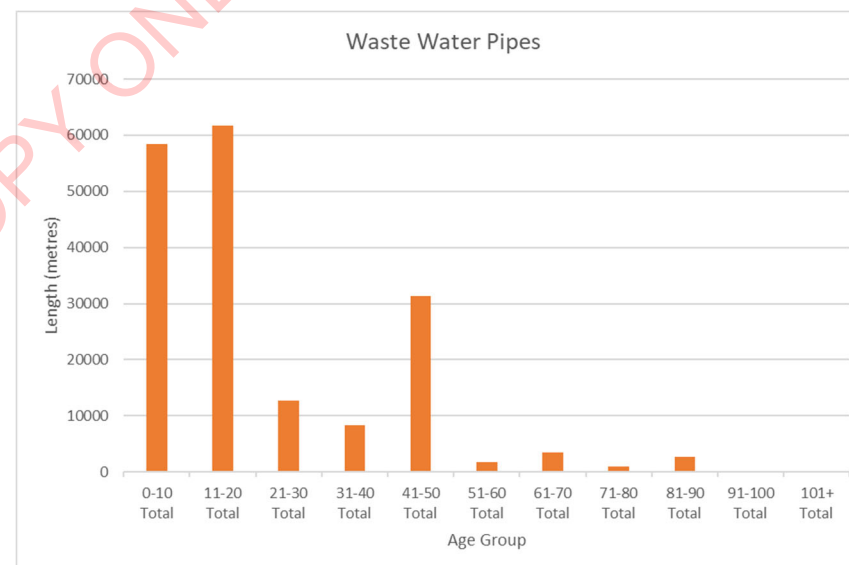
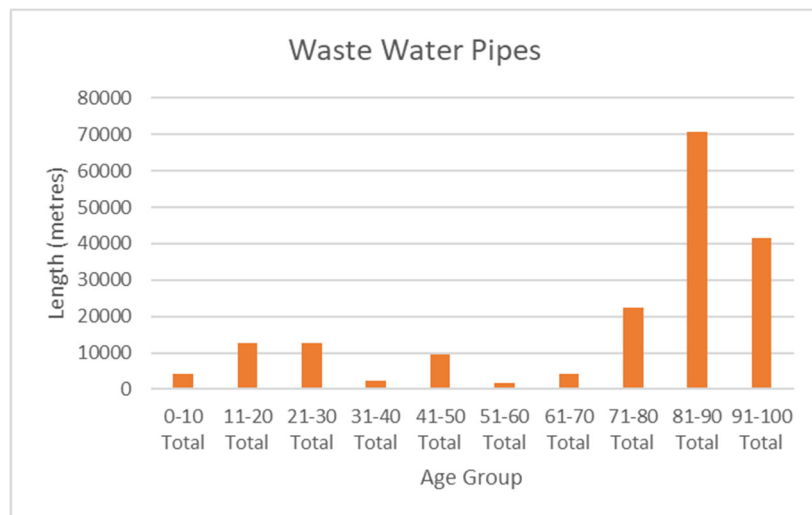


Figure D-30: Remaining useful life profile - Wastewater

Typical of many of the earlier wastewater schemes, substandard pipe material and harsh ground conditions can have adverse effects on the networks to varying degrees. In particular this affects the Runanga scheme where a combination of poor pipe material and high water levels has meant the pipes have failed earlier than expected. Major parts of the network require replacement - Council is addressing this at the moment and will continue to do so during this plan.

While there are some deferred renewals in the Wastewater activity, Council is choosing to focus on addressing the more significant needs in the Water Supply, Stormwater and Land Transport activities. We have focussed on our Wastewater assets over the last 10-20 years and overall the age profile means most of the Wastewater assets do not require attention at this stage. We will continue to address prioritised deferred renewals within our existing budgets. After seven years, the plan is to start applying more funding to wastewater renewals, noting that the appropriateness of this strategy will be reviewed as part of each subsequent LTP.

Future demand/upgrades

Significant (over \$100,000) changes in demand and upgrades for other reasons have been identified as follows:

- Domestic Tourism growth:
 - Upgrade Moana Scheme for Moana. Estimated cost not confirmed at this stage as major subdivision plans not lodged (only signalled) at present.

Driven by subdivision to meet domestic tourism demand and will be reviewed as part of the next LTP.

- New 'wet' industry requiring waste water collection:
 - None specifically identified.
- Zone Changes through Te Tai o Poutini Plan (One Plan):
 - None notified at this stage, although the proposed timeline for Te Tai O Poutini Plan shows this will occur during this LTP period.
 - Natural hazards assessments. It has been signalled that the new Plan will include updated hazards assessments, which following extensive community consultation will underpin new planning zones in the region. These will include identification of areas subject to hazards and the effects of climate change. This is likely to impact on but not be limited to existing developments in coastal areas. This matter is likely to become more significant for future LTPs, if retreat from high risk areas is proposed. Retreat may involve closing down and removal of infrastructure and the potential creation of new supporting infrastructure in new development zones.
 - Availability of land for Development. Potentially more rural land will be zoned residential. This will trigger the need to upgrade the capacity of existing infrastructure and/or provide new infrastructure. This effect will need to be largely funded by those parties who seek to develop any new areas.
- Community Demand:
 - Gladstone-Camersons Area water supply and wastewater – \$100,000 (\$50,000 from water supply and \$50,000 from wastewater) included for a feasibility study in year 1. This project will then be assessed and, if required, will be consulted on and budgets included in the next LTP at an estimated cost of \$3.5 Million.
 - Extension of Runanga Scheme to Rapahoe This project is signalled for the 2024-2034 LTP at an estimated cost of \$1.5 Million and will be subject to consultation at that time, with demand being monitored over the first three years of the 2021-2031 LTP.
- Compliance and Climate Change:
 - Investigate in Year 3 connection of Karoro-South Beach- Paroa Scheme and, if confirmed as the best option, proceed in year 5 at an estimated cost of \$2 Million. A resource consent condition of the existing scheme requires Council to carry out an investigation of this option by 1 February 2025. This project, if deemed the best option, would be subject to consultation as part of the 2024-2034 LTP.
- Resilience:

- None specifically identified. Will be taken into account with respect to the replacement of existing infrastructure including the appropriate location of replacement infrastructure.
- Compliance and Management:
 - Investment in supervisory control and data acquisition systems to meet and improve the management, compliance and reporting requirements for wastewater systems at a cost of \$100,000 in year 1 funded through the Government's Three Waters Reform stimulus funding. (This initiative is combined with water supply upgrades.)

- General:
 - A specific renewal to note at a total cost of \$1.5 million in years 2 and 3 is the replacement of the UV Treatment plant for the Greymouth Scheme. It is now 20 years old and is reaching the end of its useful life.
 - Once most properties in the Blaketown area become connected to the new wastewater pipes, the link main to Greymouth needs to be downsized at a cost of \$400,000 in year 4 of the LTP.

6.2 Issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Ownership of Community Infrastructure Assets. A direct issue as to who owns and who will fund this infrastructure asset affects who will make decisions and who will be in a position to plan for future investment.	1. Status Quo <ul style="list-style-type: none"> Potentially not an option if the Government enacts new legislation for change 	✓		
	2. New Organisational Structure <ul style="list-style-type: none"> Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making. 	✓	✓	✓
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk.	1. Retreat of residential and other developments <ul style="list-style-type: none"> May mean removal and/or relocation of infrastructure including protection works at a new location 	✓	✓	✓
	2. Protect existing residential and other developments <ul style="list-style-type: none"> Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. 	✓	✓	✓
	3. Other strategies instead or as well as above options such as: <ul style="list-style-type: none"> Reduce carbon heat emissions to slow down, halt and reverse global warming. 	✓	✓	✓
Te Tai o Poutini Plan (One Plan) – management of risks from natural hazards and climate change The TTP Plan will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change.	✓		

Te Tai o Poutini Plan (One Plan) – Increase in Urban Zoned Land	1. Monitor progress on consultation and adoption of the One District Plan and promote funding of urban expansion through financial contributions.	✓		
	2. As for option 1 but also promote urban renewal options to promote the effective and more efficient use of existing infrastructure	✓	✓	✓
Deferred renewals. The outcome from condition assessments confirm we have a level of deferred renewals but they are not as significant as those in the stormwater and water supply activities.	1. While there is a level of deferred renewals applicable to this activity, they are not as significant in the short to medium term (up to 10 years) as those in the stormwater and water supply activity. In the longer term deferred renewals do start to significantly increase. Future LTP's and IS's will review levels of funding.	✓	✓	✓
Some parts of the original 1970's sewerage schemes are nearing the end of their useful life and need replacing.	1. Utilise the information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, e.g. effect on the environment if failure occurs.	✓	✓	✓
	2. Budget sufficient funds for timely replacement.	✓		
Runanga/Dunollie network has failed earlier than expected and a major part of the network requires replacement.	1. Council has already budgeted funds for these works.	✓		
	2. Works are ongoing.	✓		
Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets Note: Building over our pressurised pipelines is not an option.	1. Revise CBD Redevelopment Plan designs to accommodate existing underground infrastructure.	✓		
	2. Provide funds to relocate or protect existing underground infrastructure.	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	1. Council will remain receptive and support community initiatives when approached.	✓	✓	✓
	2. Council will continue to consult with developers to determine demand and capacity requirements.	✓	✓	✓

Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	1. Upgrades to be investigated and invested in if/as required.	✓	✓	✓
Potential legislative changes that may lead to increasing levels of treatment before discharge to the environment.	1. Council will consider any changes when proposed.	✓	✓	✓
Damage to wastewater network components from natural hazards, eg earthquakes.	1. Improve the resilience of schemes as budgets allow, e.g.:			
	○ Use flexible pipelines in replacements	✓	✓	✓
	○ Bolt down all equipment and pumps	✓	✓	✓
	○ Undertake longer term assessments on buildings and pump stations	✓		
Wastewater is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its wastewater network to the best of its ability.	✓	✓	✓

6.3 Implications of not addressing these issues

- Potential for critical failure if assets are not protected / renewed / replaced / relocated in time.
- If assets are not protected / replaced / renewed / relocated on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- Leakage of untreated discharges to properties and the environment could occur.
- Higher cost if renewing/replacing before the end of the asset's useful life.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council's debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage).
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake.
- Impact on Council's reputation.
- Public health/safety issues.

Table D.31 - Wastewater pipes - expected average service lives

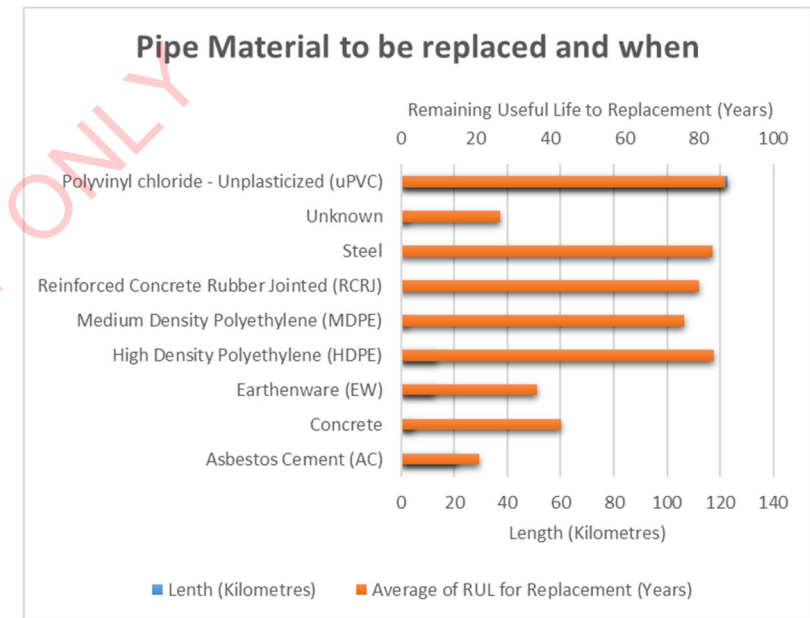
Detailed Description	Expected Service Life (years)	Average of Age	Length (metres)	% Total Length	Average of RUL for Replacement (Years)
Asbestos Cement (AC)	60-70	46.2	21578.7	12%	21
Unknown	70	45.3	2975.7	2%	27
Earthenware (EW)	90	54.3	12740.4	7%	36
Concrete	95	51.9	5072.6	3%	43
Medium Density Polyethylene (MDPE)	80-90	13.2	2610.2	1%	76
Reinforced Concrete Rubber Jointed (RCRJ)	95	15.0	7.5	0%	80
Steel	90	7.2	127.3	0%	84
High Density Polyethylene (HDPE)	90	6.2	13763.3	8%	84
Polyvinyl chloride - Unplasticized (uPVC)	100	13.0	122783.0	68%	87
		22.4	181658.8	100%	73

RUL means Remaining Useful Life. Figures are averaged, which means some pipes are beyond their predicted service life.

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions, and original installation standards for specific areas.

Aspects of the above table are also shown in graphical form in the figure below.

Figure D-32: Pipe Material to be replaced and when



6.4 What we're planning on doing

Addressing deferred renewals

Deferred renewals in the water supply and stormwater activities are considered bigger priorities than wastewater at present. There is no planned increase in rate funding to this activity until year 7, where renewals work will receive additional funding.

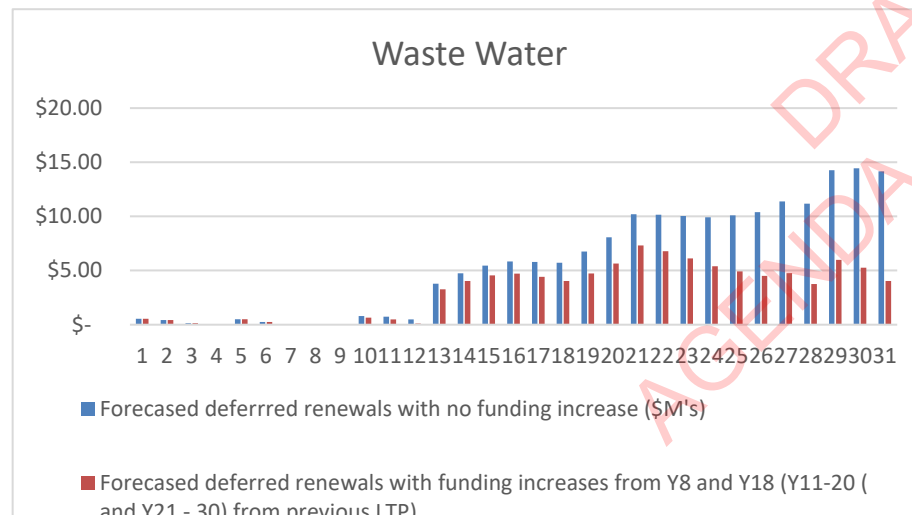
Notwithstanding, it is planned to revisit the allocation of additional funding towards deferred renewals for the Stormwater and Water Supply activities at the next LTP

and potentially include the Wastewater activity in the funding split. This will be reviewed further in future LTPs.

The following graph illustrates the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on future planned increased levels of renewal investment, increasing by \$25,000 each year from Year 7 and then by a further \$25,000 after year 17. Backlog reduced to around \$4M in Year 30 whereas without increased funding backlog in Year 30 would have been \$14M.

Figure D-33: Forecast deferred renewals backlog with planned increased funding (from year 7+)



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Council plans to address deferred renewals on a prioritisation basis using information from the condition assessments within existing budgets.

Replacement reserve

Council received subsidies towards the Greymouth, Dobson, Taylorville schemes, with the balance of the costs funded from a targeted rate on the benefiting properties (via loan repayments). Because of the subsidies, the local communities are not paying the actual total cost of the schemes - if they had to, it would be unaffordable. As a result these activities generate an annual deficit as the depreciation expense reflects the full cost of the new assets.

The targeted rate levied to repay the loan raised to meet the project cost will be repaid over a 30 year period, which will be before the assets need renewing. At this stage the intention is that a large part of the targeted rate will continue so as to start setting aside funds for the future replacement. That is, the funding raised for loan repayments required over the next 30 years will, once the loans are fully repaid, continue to be raised and transferred to asset replacement reserves.

Complete Runanga wastewater works

The Runanga wastewater network failed earlier than expected due to a combination of poor material and adverse ground conditions (ie high water levels). Major parts of the network require replacement - Council is addressing this at the moment and will continue to do so during this plan.

Expenditure forecasts

Figures D-34 and D-35 present the operating forecasts for the wastewater activity. These are based on the following key assumptions:

- Any increased environmental standards in relation to freshwater management are unknown and associated investment (such as to upgrade treatment standards) has not been budgeted. Four consent renewals are due within the timespan of the 2021-2031 Long Term Plan – refer to the AMP for more information;
- Levels of service will remain unchanged other than where capital works are proposed to meet demands of other upgrade responses listed above;
- Provision for replacement of assets will be as forecast by the renewal model set out in the AMP and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community;
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise.

Forecasts for years 11 to 30 have been inflated using the BERL 20 year average inflation factor.

Figure D-34: Annual Wastewater operating expenditure forecasts – next 10 years

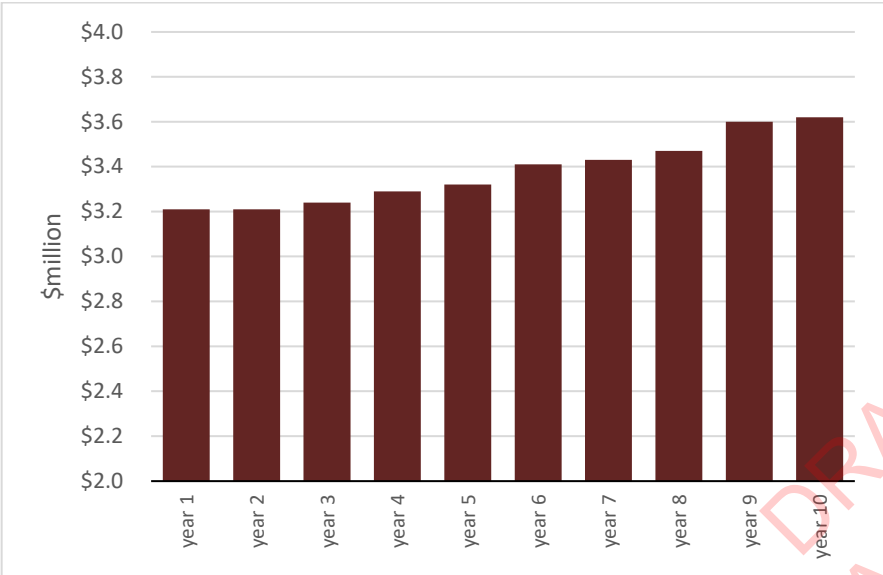
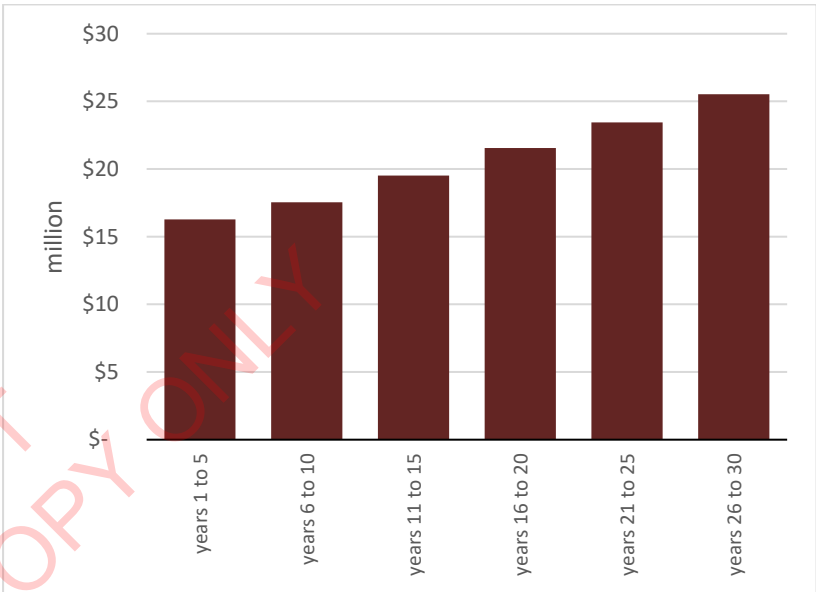


Figure D-35: Five yearly Wastewater operating expenditure forecasts – next 30 years



Capital expenditure

- Completion of outstanding separation works for the Greymouth Scheme and requiring individual properties to connect to the scheme in the areas of Greymouth, Blaketown, Cobden, Taylorville, Dobson and Kaiata.
- On-going replacement of part of Runanga wastewater scheme.
- Other new capital expenditure is planned as listed above.

Funding

Years 1-10	No additional funding is budgeted for in the first seven years of this plan as funding is prioritised to other infrastructure activities. From year 7 Council has applied a rates increase of approximately 0.2% towards the funding backlog.
Years 11-20	Council has applied approximately 0.15% rate increase every year above inflation directed towards funding 'backlog'
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding 'backlog' Backlog estimated to be removed between Years 31-40.

Figure D-36: Wastewater capital expenditure – next 10 years

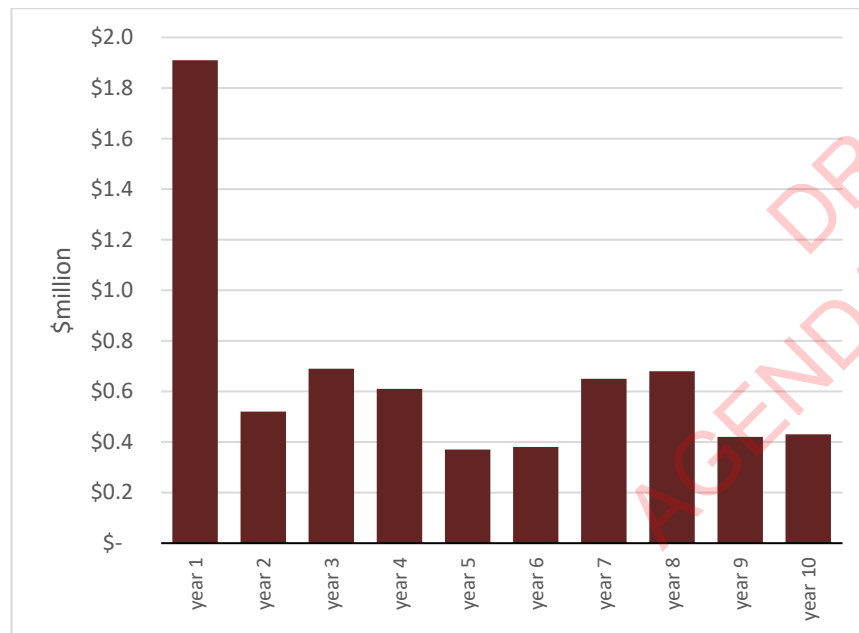
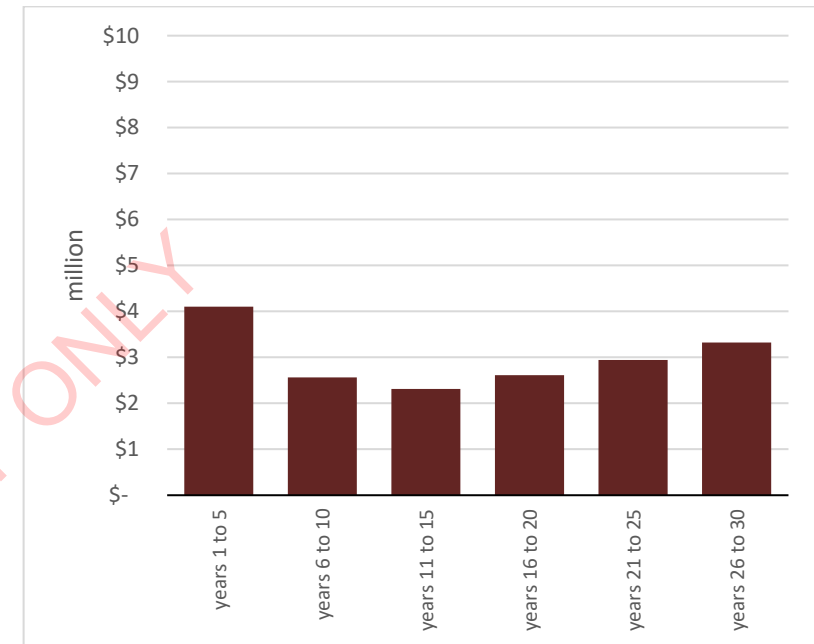


Figure D-37: Wastewater capital expenditure – next 30 years



7. Stormwater

7.1 Background

Council provides urban stormwater networks in all of the main towns.

The Grey District enjoys high rainfall with individual rain events often involving heavy falls. It is important to ensure that flooding measures are in place in the District to deal with the disposal of any surface water accumulation and that excess flows are controlled and channelled towards waterways and that areas prone to flooding are protected.

All urban systems, with the exception of Greymouth CBD, are designed to cope with a 1-in-5 year on average storm - no ponding is evident after two hours after the rain stops and there is no damage to houses.

There are some older areas which do not currently meet stormwater design standards where flooding caused by restricted reticulation capacity is a known issue. These areas include the Greymouth CBD, Petrie Avenue, Puketahi Street, Whall Street areas and the south-east Greymouth CBD.

The Greymouth CBD system is designed to cope with a 1-in-1 year on average storm. Capacity limitations of the CBD system mean it often experiences severe surface flooding during extreme rain events. However, physical constraints make it very difficult to improve the system performance without considerable capital investment. Where available, stormwater backup surface flooding is managed by the Greymouth Flood Scheme stormwater pumps which pump the water over the floodwall.

As part of the wastewater upgrade for Greymouth, new wastewater only pipes were installed. The previously combined sewer/stormwater pipes are now dedicated stormwater pipes. This has significantly grown the stormwater network, however many of these are older pipes, especially in the Blaketown, Cobden and Greymouth areas.

New developments are required, at a minimum, to be hydraulically neutral and not increase peak runoff flows during flood events.

While the Government’s three waters reform programme signals potential changes to who will manage and deliver stormwater services, its stated intention is to proceed with water supply and wastewater services reform initially. Stormwater may be the subject of review at some time in future. Council is continuing to plan for the provision of stormwater services in the period of this LTP, on the basis that

communities will continue to need stormwater services, regardless of which entity is delivering them.

Condition of stormwater network assets

Most of our stormwater networks have been progressively built since the 1920’s, as indicated in the age profile in Figure D-38. Pipes older than 100 years exist in the Greymouth and Cobden areas and are brick arches, concrete and earthenware pipes.

Figure D-38: Age profile - stormwater pipe

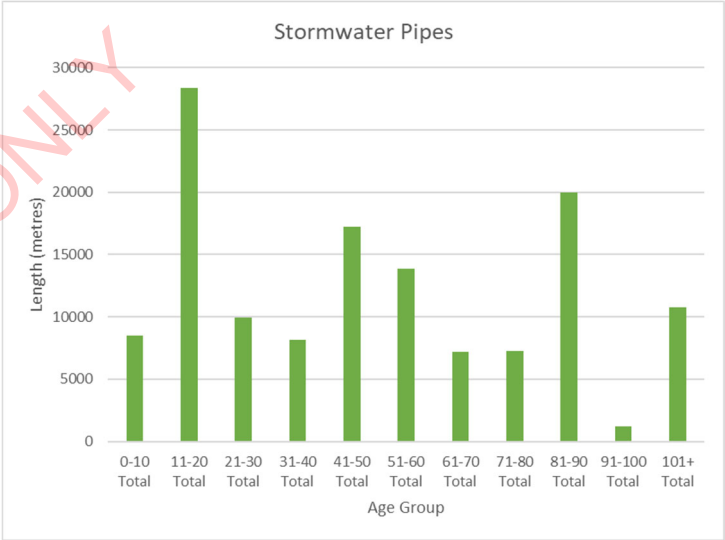
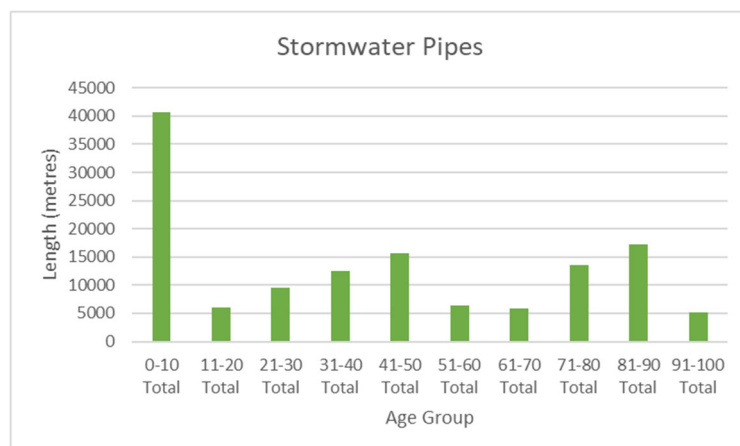


Figure D-39: Remaining useful life profile of stormwater pipes

There have been some pipe failures in recent years. Such failures have occurred on older arch type structures and predominately older earthenware/concrete pipe. It is believed that such failures will continue to occur based on the age of the asset.

As signalled in the 2018-2028 LTP, Council has carried out condition assessments of our stormwater network assets. These detailed condition assessments of stormwater pipes have resulted in the useful service lives of some different pipe materials being extended, however they do confirm significant deferred renewals for this activity, namely due to:

- The repurposing of combined sewer-stormwater pipes as stormwater only has significantly increased our network (many of these are older pipes);
- Ageing and deteriorating pipes; and
- The previous low renewal rates due to Council's focus on other prioritised projects, ie new wastewater treatment schemes or upgrades and upgraded treatment for water supplies.

Map of renewals backlogs

The following table and maps provide a good picture of the level of renewals required for this activity. This table and maps show that older pipes that are past their potential use-by date exist in the more earlier established communities. This is about 28 kilometres of pipe (21%) that is past its use-by date.

LEGEND:

Deferred renewals - requires addressing

Renew within term of Infrastructure Strategy

Renew after Infrastructure Strategy

Sum of Quantity / Length	Stormwater			
	Beyond 30 Years	Deferred, Renew Now	Within 30 Years	Grand Total
Ahaura	1,021.39		9.89	1,031.28
Blackball	2,059.12		-	2,059.12
Blaketown	2,217.91	6,208.08	1,521.62	9,947.61
Cobden	8,924.12	5,240.43	6,237.48	20,402.03
DOBSON URBAN	80.27			80.27
Dobson/Taylorville	3,619.49	318.11	1,502.35	5,439.95
Greymouth	30,332.64	15,557.20	14,965.50	60,855.34
Iveagh_Bay	1,618.23			1,618.23
Karoro	5,793.76	350.11	903.45	7,047.32
Moana	4,315.01	21.29	580.02	4,916.32
Runanga	9,197.68	273.30	2,118.54	11,589.52
Rural	3,022.82		196.60	3,219.42
South_Beach/Paroa	4,073.71	-	171.62	4,245.33
Stillwater	12.80		-	12.80
Grand Total	76,288.95	27,968.52	28,207.07	132,464.54
% Total Length	58%	21%	21%	100%

The following maps provide a good picture of the level of renewals required for this activity.

LEGEND:

Deferred renewals - requires addressing

Renew within term of Infrastructure Strategy

Renew after Infrastructure Strategy

Figure: Map of Deferred Renewals and Renewals within Infrastructure Strategy Time Frame – Greymouth and Cobden



Figure: Map of Deferred Renewals and Renewals within Infrastructure Strategy Time Frame – Runanga and Dunollie

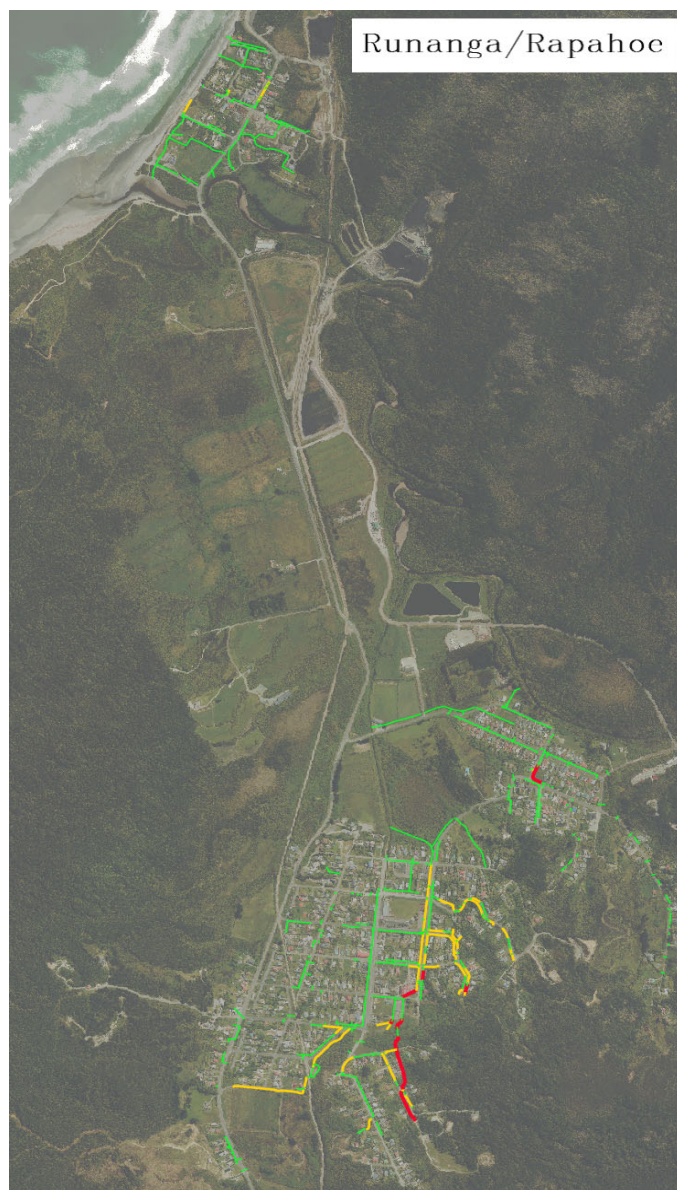


Figure: Map of Deferred Renewals and Renewals within Infrastructure Strategy Time Frame – Taylorville and Dobson.



As we now have improved asset knowledge on the condition of our stormwater network, this will be used to prioritise future renewal and replacement works so that we can start to address the most critical areas first.

Future demand/upgrades

Significant (over \$100,000) changes in demand and upgrades for other reasons have been identified as follows:

- New industry requiring stormwater disposal:
 - None specifically identified.
- Zone Changes through Te Tai o Poutini Plan (One Plan):
 - None notified at this stage, although the proposed timeline for Te Tai O Poutini Plan shows this will occur during this LTP period.
 - Natural hazards assessments. It has been signalled that the new Plan will include updated hazards assessments, which following community consultation will underpin new planning zones in the region. These will include identification of areas subject to hazards and the effects of climate change. This is likely to impact on but not be limited to existing developments in coastal areas. This matter is likely to become more significant for future LTPs, if retreat from high risk areas is proposed. Retreat may involve closing down and removal of infrastructure and the potential creation of new supporting infrastructure in new development zones.
 - If decisions are made to protect communities in high risk areas then this option may include flood protection walls (rivers and/or sea), upstream detention ponds, stormwater pump stations to remove accumulated stormwater that will back up behind flood protection walls and further pump stations to remove elevated ground water.
 - Availability of land for Development. Potentially more rural land will be zoned residential. This will trigger the need to upgrade the capacity of existing infrastructure and/or provide new infrastructure. This effect will need to be largely funded by those parties who seek to develop any new areas.
- Resilience:
 - None specifically identified. Will be taken in to account with respect to the replacement of existing infrastructure including the appropriate location of replacement infrastructure.

- Compliance and Management:
 - Investment in supervisory control and data acquisition systems (SCADA) to meet and improve the management, compliance and reporting requirements for stormwater systems. \$100,000 in Year 1, may be funded through the Government's Three Waters Reform stimulus funding. (This initiative is combined with water supply and wastewater scheme upgrades.)
- General Upgrades (over \$100,000):
 - In Central Greymouth: Petrie Avenue, Puketahi Street and Whall Street stormwater system upgrades. Review preliminary design Year 4 and implement over Year 5 - \$447,000, Year 6 - \$497,000 and Year 7 - \$487,000
 - In Southern Greymouth: Shakespeare Street Area stormwater system upgrade. Design in Year 1 and implement over Year 2 - \$275,000 and Year 3 - \$275,000.
 - In Dobson: Moa Street – Design and construct Year 4 - \$200,000
 - In Karoro: Nolan Crescent Stage 2 Construction in Year 9 - \$175,000
 - In Central Greymouth: Leonard Street / William Street – Greymouth Design and Construct Year 8 - \$400,000

Disposals

The Greymouth 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. It is proposed to officially transfer ownership of this asset to the West Coast Regional Council during year 1 of the plan.

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

7.2 Issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have significant deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	1. Utilise information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, e.g. effect on the environment if failure occurs. 2. Increase rate funding to this activity. 3. Improve efficiencies. 4. More cost effective materials, operations and construction methods, (e.g. concrete lining of existing pipes).	✓	✓	✓
Ownership of Community Infrastructure Assets. A direct issue as to who owns and who will fund this infrastructure asset affects who will make decisions and who will be in a position to plan for future investment.	1. Status Quo <ul style="list-style-type: none"> Potentially not an option if the Government enacts new legislation for change. 2. New Organisational Structure <ul style="list-style-type: none"> Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making. 	✓		
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk.	1. Retreat of residential and other developments <ul style="list-style-type: none"> May mean abandonment / removal and/or relocation of infrastructure including protection works at a new location 2. Protect existing residential and other developments <ul style="list-style-type: none"> Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. 3. Other strategies instead or as well as above options such as: <ul style="list-style-type: none"> Reduce carbon heat emissions to slow down, halt and reverse global warming. 	✓	✓	✓
Te Tai o Poutini Plan (One Plan) – management of risks from natural hazards and climate change The TTP Plan will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change.	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Te Tai o Poutini Plan (One Plan) – Increase in Urban Zoned Land	1. Monitor progress on consultation and adoption of the One District Plan and promote funding of urban expansion through financial contributions.	✓	✓	✓
	2. As for Option 1 but also promote urban renewal options to promote the effective and more efficient use of existing infrastructure.	✓	✓	✓
Fund Greymouth and other community stormwater upgrades. See General Upgrades list above which has been developed through community requests to previous LTP's / Annual Plans.	1. Fund these works in this LTP.	✓	✓	
Vulnerability of buried pipes in soft ground to natural hazards such earthquakes and liquefaction.	1. Carry out upgrade works based on priorities established from condition assessments.	✓	✓	✓
	2. Carry out catchment wide assessments for storm water networks to identify capacity constraints and areas for targeted improvements. Improvements may include detention ponds, storm water pumping systems, increased pipe capacity and additional storm water networks.	✓		
	3. Managed retreat where other options are not economically feasible.	✓	✓	✓
Natural hazards and/or climate change causing backup flooding to properties. Need to consider detention ponds, stormwater pumping systems, increased pipe capacity and additional stormwater networks.	1. Funding through West Coast Regional Council (WCRC) rating districts.	✓	✓	✓
	2. Possible part funding through Council.	✓	✓	✓
	3. Allow for capacity increases as pipelines are replaced.	✓	✓	✓
	4. Review capacity of stormwater systems in townships to cope with current and future predicted storm events. Include possible stormwater network enhancements in future LTPs.	✓	✓	✓
Requirement for improved flood protection in the lower Cobden area from Grey River and Tasman Sea inundation (in consultation with West Coast Regional Council (WCRC)).	1. Some works have already been carried out by the WCRC, which have resulted in a lower flood risk for the lower Cobden area. This situation will be monitored.	✓	✓	✓
Damage to stormwater pump stations from natural hazards, eg earthquakes.	1. Carry out resilience works as budgets allow.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council has adopted a CBD Redevelopment Plan and it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. Issues identified to date include: <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets 	1. Provide funds to relocate or protect existing underground infrastructure.	✓		
	2. Revise CBD Redevelopment designs to accommodate existing underground infrastructure.	✓		
Stormwater is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its stormwater network to the best of its ability.	✓	✓	✓

7.3 Implications of not addressing these issues

- Potential for critical failure if assets are not protected / renewed / replaced / relocated in time.
- If assets are not protected / replaced / renewed / relocated on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life. Some of our existing networks are quite old.
- Lower levels of satisfaction from users in some areas.
- Some areas have a very low level of service, ie the CBD. There is some increase in service level included this plan. This will assist in mitigating the effects such as flooding, property damage, risks to health and safety.
- Council may be vulnerable to legal issues following flooding events.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council's debt levels and ability to borrow for other unforeseen events.

- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage). Risks of this include flooding, property damage and health and safety issues.
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake, leading to compromised safety, property damage and increased cost.
- Lower level of capacity of existing infrastructure through incremental increases in surface runoff through climate change.
- Higher cost if protecting / renewing / replacing / relocation before the end of the asset's useful life.
- Reputational impact for Council.
- Public health/safety issues.
- Property damage.

Age of assets

Table D-40: Stormwater pipes expected average service lives

Detailed Description	Expected Service Life (years)	Average of Age	Length (metres)	% Total Length	Average of RUL for Replacement (Years)
Brick	110	100	402	0.3%	10
Stone	110	100	125	0.1%	10
Unknown	50-70	70	6,136	4.6%	14
Arch	110	96	179	0.1%	15
Earthenware (EW)	90	76	31,429	23.7%	16
Asbestos Cement (AC)	60-70	54	3,414	2.6%	19
open Channel Unlined	50-60	33	11,541	8.7%	29
Novaflow	50	19	1,030	0.8%	31
Aluflow	70	33	65	0.0%	37
Low Density Polyethylene (LDPE)	70	22	44	0.0%	48
Concrete	70-95	46	51,381	38.8%	49
Steel	90	35	384	0.3%	56
Dish Channel	80	2	133	0.1%	78
Polyvinyl chloride - Unplasticized (uPVC)	100	18	25,049	18.9%	82
Reinforced Concrete Rubber Jointed (RCRJ)	70-95	9	1118	0.8%	84
Totals		44	13,2429	100%	50

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions, and original installation standards for specific areas.

Climate change

Climate change is expected to increase the frequency and intensity of storms. In effect, this will lower the design capacity of the primary pipe network (what is currently a ten year return period event may become an eight year return period, for example).

Council designs new/renewed stormwater infrastructure to expected future storm event return periods, however other than the targeted areas listed above, there is

no plan to upgrade existing stormwater pipes other than as part of the renewal programme and this has been factored into the financial forecasts.

In addition sea level rise may lead incrementally to rises in river bed, lagoon bed and water tables. These consequential effects are likely to also compound surface flooding on lower lying coastal areas. It will become increasingly important to consider an integrated approach through such initiatives as the Te Tai o Poutini Plan (One Plan), which will identify and manage areas subject to hazard risk through appropriate zoning.

7.4 What we're planning on doing

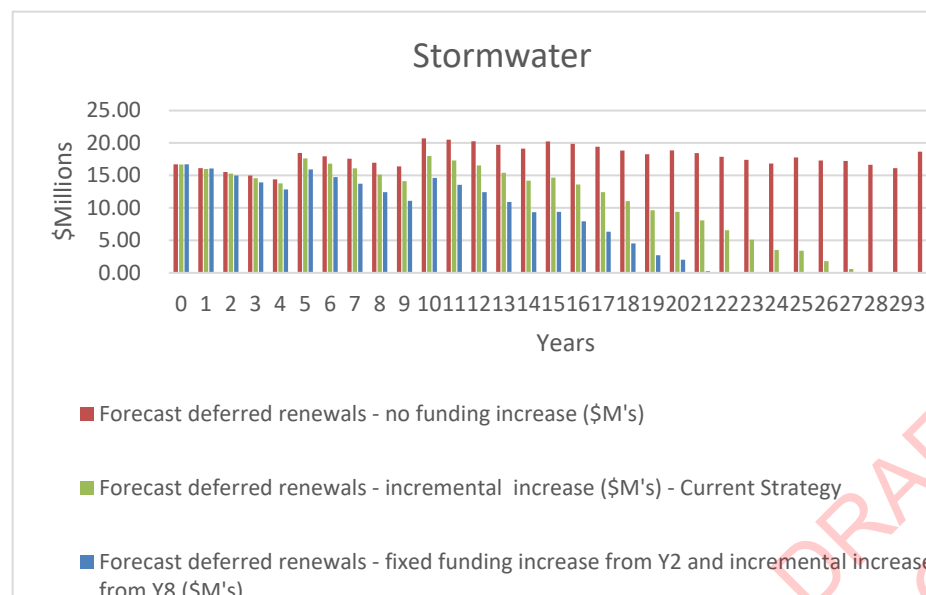
Addressing deferred renewals

Council is planning on increasing rate funding to this activity so that we can start to address the required renewals and targeted upgrades on a prioritisation basis.

The following graph illustrates the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-41: Forecast deferred renewals backlog with planned increased funding



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

7.5 Expenditure forecasts

The expenditure forecasts in Figures D-42 and D-43 are based on the following assumptions:

- Other than targeted upgrades and allowing for increased capacity to address climate change, the level of service will remain the same;
- Provision for replacement of assets will be as forecast by the renewal model set out in the Asset Management Plan and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community; and
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as

per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at the BERL 20 year average inflation factor.

Figure D-42: Stormwater operating expenditure forecasts – next 10 years

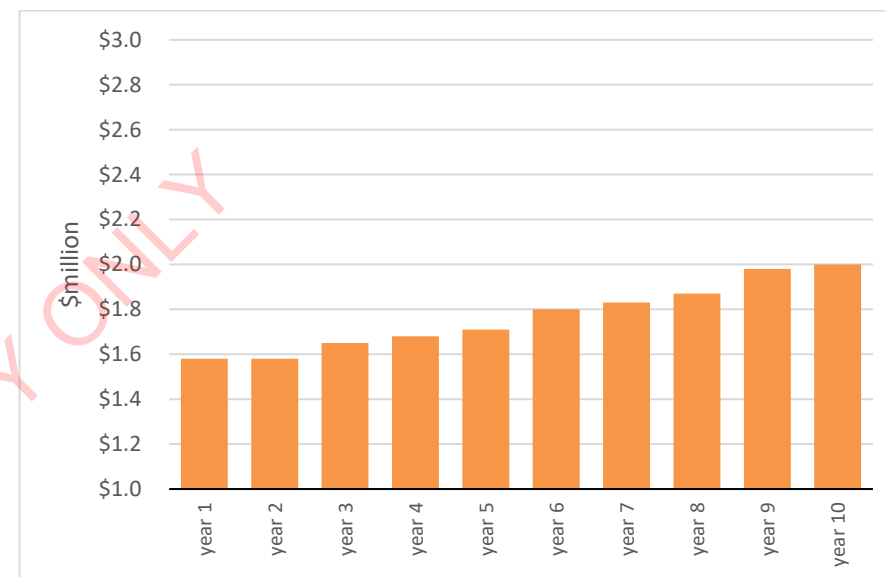


Figure D-43: Five yearly Stormwater operating expenditure forecasts – next 30 years

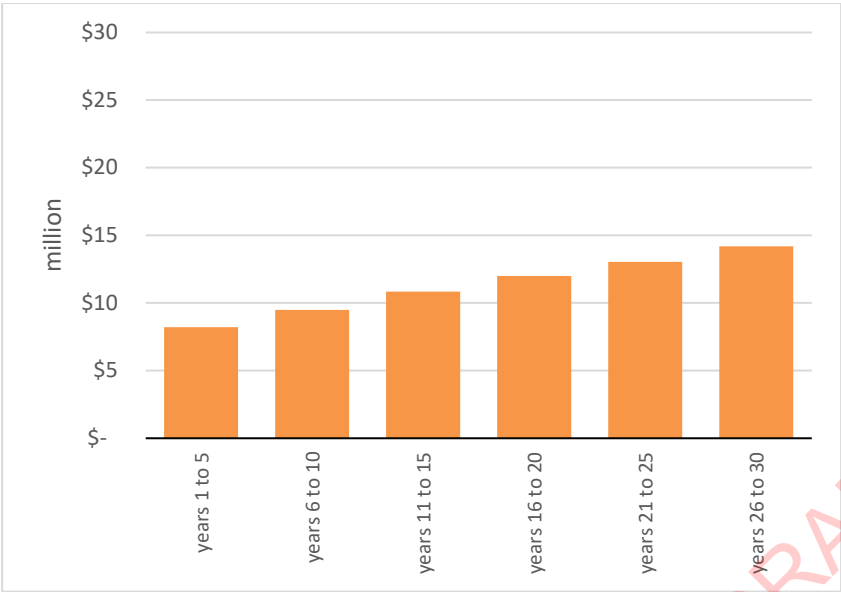
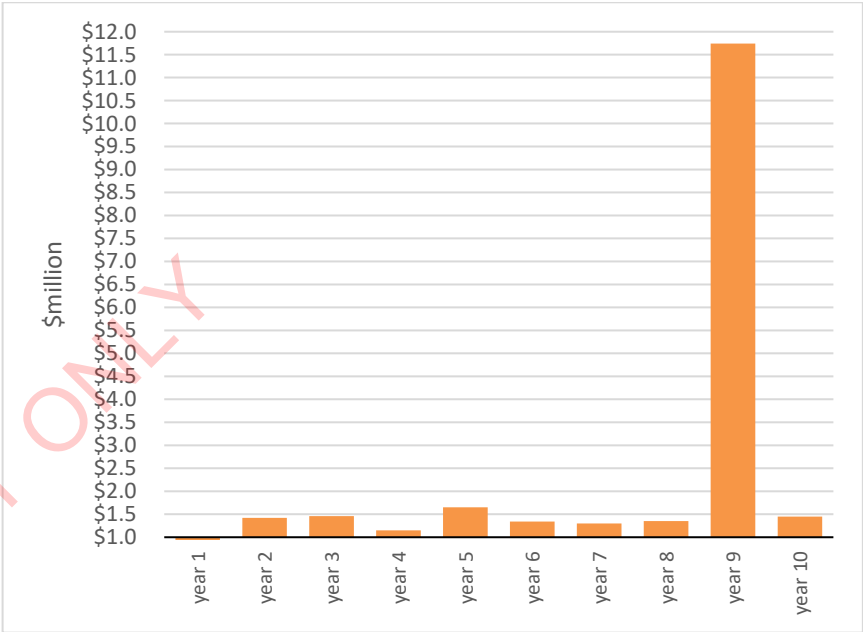


Figure D-44: Stormwater capital expenditure – next 10 years

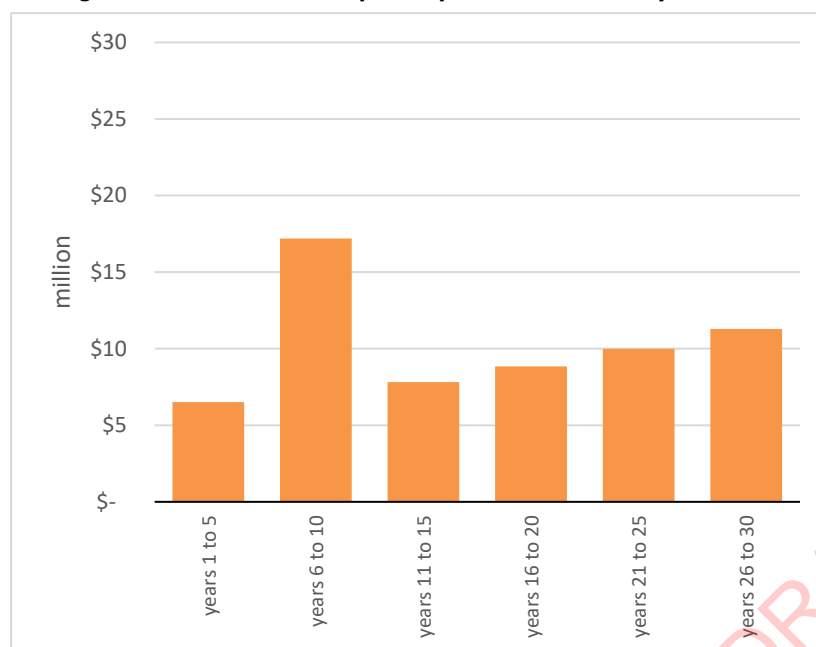


Capital expenditure

- Some capital expenditure is signalled in the Plan as listed above which will enhance the level of service in these targeted areas.

Funding

Years 1-10	<ul style="list-style-type: none">• Fixed funding increase to \$1.1M from year 2 (approximately 2.2% rates increase).• Further one-off additional \$650K (total) in years 4 and 5.• Further funding increase of \$150K in year 7.• Cumulative funding increases of \$50K per year from year 8, in addition to existing increases (excluding one-off increases)
Years 11-20	Continue with Years 1-10 funding strategy directed towards addressing deferred renewals
Years 21-30	Increases cease around Year 22 after which Council continues funding renewals at levels close to that of the depreciation expense

Figure D-45: Stormwater capital expenditure – next 30 years

8. Summary

8.1 Levels of service

The **most likely scenario** for the District is outlined as follows:

- Other than for some targeted upgrades and incremental upgrades as part of renewal programmes to cater for climate change and resilience improvements, levels of service will remain largely unchanged.
- Potential new infrastructure forecasts will be needed for the next LTP as information on additional urban zoned land becomes known through the development of Te Tai o Poutini Plan (One Plan). This is likely to occur through provision of new urban areas to offset existing areas that may be identified as subject to natural hazard or climate change risk, or to provide for the long term development needs over the One Plan planning horizon.
- A continued emphasis on leak detection on our water supply networks will provide a better level of service to consumers and reduce costs.
- An increased emphasis on bridge renewals.
- The exception is the road network, where changes in levels of service may occur on low volume roads as the One Network Framework and a focus on safety through speed reduction is likely to see changes, however this will have a low financial impact on infrastructure.

8.2 Service delivery

We deliver these services using a combination of contractors and consultants as well as in-house staff resources. Maintenance works are contracted out through term contracts of up to five years. Renewal capital works and new capital works are also contracted out, using a tendering process. Council has in-house engineering and project management resources and engages specialist consultant support for specialised projects as appropriate. It has recently increased resources to these areas and will continue to review this as needed, in order to deliver planned programmes. Overall there are no planned changes to service delivery methods over the term of the LTP.

8.3 Capital programme delivery

Our capital programme has been developed to ensure that the programme is both financially sustainable and aligned with Council's ability to deliver.

This Strategy clearly sets out the challenge of the significant backlog in deferred maintenance and acknowledges that it is going to take, in some cases, over two decades to resolve.

Council has also resolved at this point to not address some matters in order that priority work can be undertaken in the sort to medium term instead. In the immediate future this priority work includes the Infrastructure Ready, PGF and the DIA projects.

Council has moved to invest in systems and capability in its asset management function and there is a significant increase in resource to manage and deliver these projects. Council will also move to focus on ensuring it consistently delivers against service level expectations.

Over this time, ongoing reviews will take place as Council obtains further information about its assets from the planned programme of condition assessments. Funding has been put in place for this work over a number of years to ensure that current and future decisions are based on asset condition.

It is acknowledged that there is some risk to being able to deliver the planned programmes within the timeframes set out in the LTP. Council, in its planning, has assumed that appropriately skilled staff and contractors and necessary materials will be available to undertake the work required, to agreed standards, deadlines and cost. This assumption is acknowledged as having a medium level of uncertainty and could impact significantly on deliverability of the programmes. This risk will be managed by programming work to spread delivery of capital projects to reasonable timeframes, robust project and contract management and ongoing asset condition assessments to feed in to planning and review of projects.

8.4 Demand

The **most likely scenario** for the District is outlined as follows:

- Demand for infrastructure services will remain relatively unchanged based on low to negative population growth.

- Capacity upgrades and network extensions may be required to accommodate new industry or through environmental planning zone changes, but this has not been budgeted for.

8.5 Implications of uncertainty

Council has levels of uncertainty in relation to assumptions in the following areas:

- Future regulatory changes such as changes to Drinking Water Standards or District and Regional Environmental Policies and Standards. Without any signals to the contrary, no change has been budgeted for. Typically there is a long lead time for significant proposed change as well as industry consultation, and the Council would respond and plan as required. Further changes to drinking water standards have been assessed as "low" with further changes to resource management policies and standards assessed as "high".
- The level of reliability of the asset information underlying the renewal forecasts varies by activity and by asset class, creating a medium to high level of uncertainty in the renewal forecasts. Data reliability will improve as more information is gathered through ongoing asset condition and performance monitoring programmes detailed in the AMPs. In the three waters area, the renewal models provide ranges of likely expenditure. The results of the condition assessments may have an impact on our financial forecasts. If the renewals backlog is greater than expected, Council will need to look at funding the works sooner rather than later.

Accuracy of the valuation takes into account the data confidence levels for asset quantities, unit costs and lives. Using the International Management Manual (IMM) grading system the assessed grades for the Council assets are as follows:

Three Waters – extract from WSP Peer Review – September 2020 of Valuation to 30 June 2020

4.2 CONFIDENCE RATINGS

Confidence ratings have been assigned to the source data, unit cost rates and to other items as appropriate. The confidence ratings used are summarised below:

Table 4.2 Confidence Ratings

Grade	Label	Description	Accuracy
A	Highly Reliable	Data based on sound records and recognised as the best method of assessment.	±5-10%
B	Reliable	Large portion of data based on sound records but has minor shortcomings (e.g. old data, some missing documentation, reliance placed on unconfirmed reports and extrapolations)	±10-15%
C	Uncertain	Significant data incomplete, unsupported or extrapolated from a limited sample.	±15-25%
D	Very uncertain	Data based on unconfirmed verbal reports, cursory inspection and judgement of experienced person.	±25-40%

Source: Grading and Description are based on Table 3.5.3 of the 'International Infrastructure Management Manual - 2011'

In our judgement, the accuracy of the data used in this valuation has resulted in an overall rating of B (± ten to fifteen percent) for the valuation of the Council's infrastructure assets.

Land Transport – extract from Stantec Valuation to 30 June 2020

GDC has utilised the RAMM Administrations Asset Valuation Module (RAVM) for the majority of components for this valuation. See Table 4-1 for a summary in data confidence.

Table 4-1: Data Confidence

Asset Description	Confidence	Comments
Formation	B – Reliable	Assumed depths
Sealed Pavement Surface	A - Highly Reliable	No assumptions made.
Sealed Pavements	B – Reliable	Assumed depths, pavement ages
Unsealed Pavements	B – Reliable	Assumed depths, pavement ages
Drainage	B – Reliable	Some assumed construction ages
Surface Water Channel	B – Reliable	Some assumed construction ages
Footpath	B – Reliable	Some assumed construction ages
Traffic Facilities Signs	B – Reliable	Some assumed construction ages
Traffic Facilities Retaining Walls	B – Reliable	Contained in both minor structure as well as retaining wall tables.
Traffic Facilities Railings	B – Reliable	Some assumed construction ages
Traffic Facilities Markings	B – Reliable	Some assumed construction ages
Traffic Facilities Islands	C- Uncertain	Utilised Assetfinda Data from 2017 valuation
Traffic Facilities EMP's	C-Uncertain	Utilised Assetfinda Data from 2017 valuation
Streetlights	B – Reliable	LED register provided by Council
Bridges and Bridge Culverts	B – Reliable	Footbridge Register provided by Council

Based on NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2.0, Table 4.3.1: Data confidence grading system:

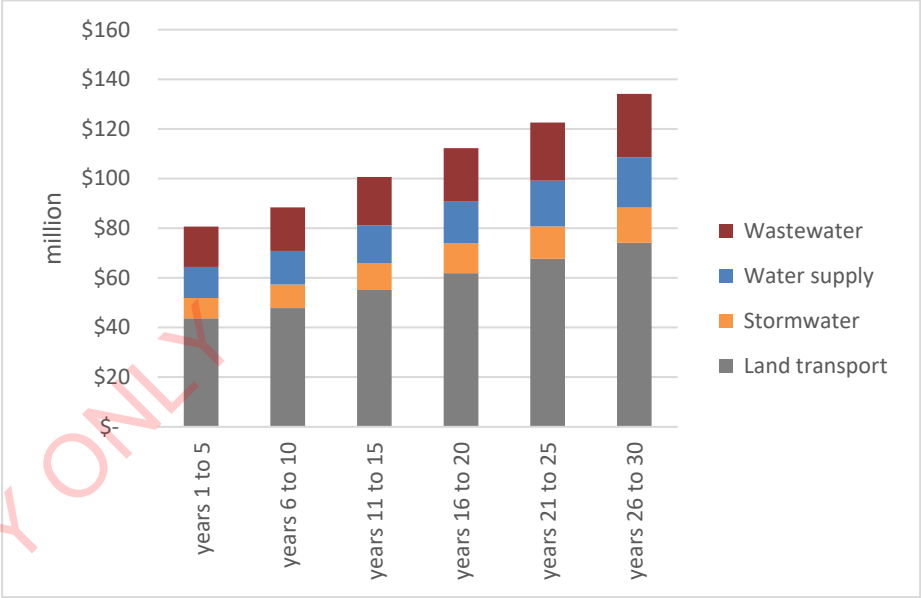
8.6 Financial forecasts

Our Infrastructure Strategy aligns with our Financial Strategy, which focuses on:

1	<p>Rates revenue set to meet Council and community needs.</p> <p><i>Setting rates at a level that enables Council to practice prudent financial management by addressing significant issues, eg deferred renewals, funding future projects and reducing annual rates deficits.</i></p>
2	<p>Decrease debt over the life of the Plan.</p> <p><i>Borrow for significant projects to take advantage of current low interest rates with the overall goal of decreasing debt over the life of the plan. Savings on finance costs will then be used towards operational costs or increasing reserves over the life of this Plan.</i></p>
3	<p>Retain capacity to borrow for unforeseen events.</p> <p><i>For example, natural disasters. Debt levels to be kept within our policy limits.</i></p>

The following graphs show the **most likely scenario** for total operating expenditure, total renewals versus depreciation expenditure and the total renewals. Please note that new capital expenditure is not shown as very little, if any, is planned. We have listed some of the capital projects we’re planning to undertake elsewhere in the Strategy.

Figure D-46: Total operating expenditure forecasts



8.7 Funding implications

The **most likely scenario** impact on rates and charges arising from these expenditure forecasts is detailed in Council's Financial Strategy. This will also be the basis of our consultation with the community. In summary:

Land Transport

Years 1-10	Council reduced its funding in 2019/2020 due to Covid-19 but this returns funding to pre Covid-19 levels.. Combined with the increase in the Waka Kotahi subsidy from 58% to 63%, this is an increase in funding of \$390,000 in year 1. For years 2-10 annual rates increases range from an additional \$12,000 to \$112,000, including inflation.
Years 11-20	Council has applied approximately 3% rate increase every year 0.5% above estimated inflation directed towards deferred renewals
Years 21-30	Council has also applied approximately 0.5% rate increase every year above inflation directed towards deferred renewals

Water Supply

Years 1-10	Year 1 of the Plan includes subsidies from PGF and the Three Waters Reform Fund for major capital projects, with deferred renewals being addressed through rates funding from year 3 onwards, with a \$64,000 plus inflation (0.3% rates increase from 2023/2024) increase per annum year on year, ie cumulative increases.
Years 11-20	Increases continue to address the backlog and more assets falling due for replacement.
Years 21-30	Increases cease around year 24 after which Council continues funding renewals at levels close to that of the depreciation expense

Wastewater

Years 1-10	No additional funding is budgeted for in the first seven years of this plan as funding is prioritised to other infrastructure activities. From year 7 Council has applied a rates increase of approximately 0.2% towards the funding backlog.
Years 11-20	Council has applied approximately 0.15% rate increase every year above inflation directed towards funding 'backlog'
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding 'backlog' Backlog estimated to be removed between Years 31-40.

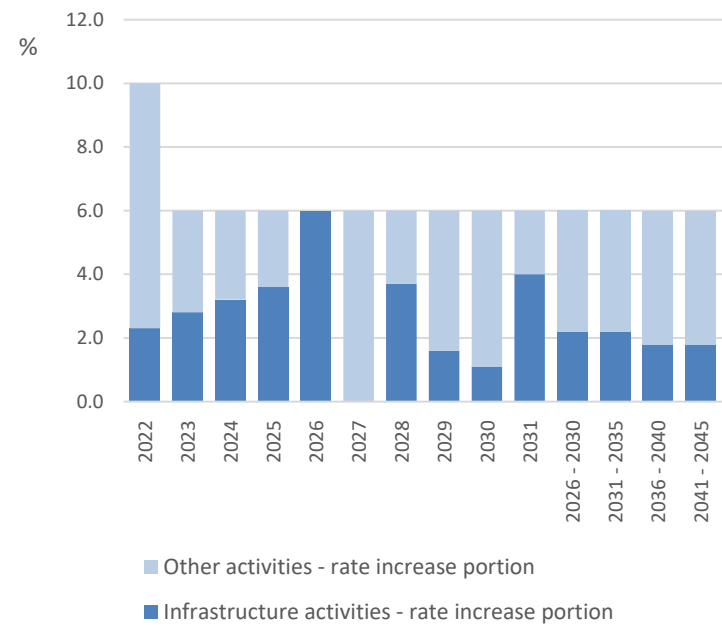
Stormwater

Years 1-10	<ul style="list-style-type: none"> Fixed funding increase to \$1.1M from year 2 (approximately 2.2% rates increase). Further one-off additional \$650K (total) in years 4 and 5. Further funding increase of \$150K in year 7. Cumulative funding increases of \$50K per year from year 8, in addition to existing increases (excluding one-off increases)
Years 11-20	Continue with Years 1-10 funding strategy directed towards addressing deferred renewals
Years 21-30	Increases cease around Year 22 after which Council continues funding renewals at levels close to that of the depreciation expense

Summary Infrastructure – Rates

Infrastructure rates as a percentage of total rates - the graph below shows how the rates described above contribute to the overall rates increase over the next 30 years. In years 1 to 10, the percentages include CPI, as per our assumptions in the Plan. In years 11 to 20, CPI is estimated at 2.0%.

Figure D-47: Infrastructure rates as a percentage of total rates



Note that in Years 11 – 30, the annual rates increase is per annum.

PART E: Council Activities

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Land transport

Also refer to PART D: Infrastructure Strategy for more information on this activity.

Activities included in this group

Land Transport includes the following key functions:

- Council roads, including associated facilities such as streetlights, cycleways and lanes and road signs (State Highways excluded as they are the responsibility of the New Zealand Transport Agency (NZTA))
- Footpaths
- Bridges and large culverts
- Bus shelters
- Promotion of road safety

The car parking function is dealt with under the 'Commercial/Property' section.

The management and maintenance of the Greymouth to Taramakau Bridge section of the West Coast Wilderness Trail) is included in this activity.

Why we are involved in this activity

Council provides sealed roads (including bridges where necessary), footpaths, bus shelters and streetlights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

Modern society cannot function without access. Access is important as it enables the convenient movement of people and goods to places of work, trade, health services, education and recreation.

Promotion of road safety is also important to avoid damage to property, injury and deaths while people are using land transport infrastructure.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable Prosperous	<ul style="list-style-type: none"> • Well maintained roading and bridge network to provide access within the district. • Well maintained footpaths to provide access.
Social Wellbeing	
Safe	<ul style="list-style-type: none"> • The well-maintained roading network, cycle lanes, footpaths, cycleways ensure safe travel for motorists, pedestrians and cyclists. • Streetlights and lighting for community safety. • The provision of bus shelters for safety of school children. • Road safety promotion activities enhance the safety of the community.
Connected	Well maintained roading network, footpaths, cycle lanes and cycle paths for connection to activities, businesses, communities and industry.

What we'll provide

A summary of Council's roading infrastructure is as follows:

Land Transport Component		Quantity
Roads (Council roads do not include State Highways)		
Urban	km	161
Rural	km	487
Total	km	648
Footpaths	km	106.8
Bridges and Large Culverts	number	209
Street Lights	number	1584
Bus Shelters	number	43
Separated Walking and Cycling Pathways	km	22.231

Council will undertake the following:

- On-going maintenance of land transport assets (i.e. roads, footpaths etc).
- Annual road and footpath resurfacing.
- Annual road and footpath construction and pavement surfacing.
- Annual safety works.
- Provision and maintenance of pedestrian crossings, street name signs, street lighting and traffic sign maintenance.
- Participation as a member of the Regional Road Safety Committee.
- Participation as a member of the Regional Technical Advisor Group for the Regional Land Transport Committee.
- Participation as a member of the Regional Land Transport Committee.

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Issues and options facing the activities

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals for bridges. Nine bridges have been identified for condition based replacement. A further 14 bridges are inspected at least annually due to their condition. If they need to be replaced their total cost is estimated to be \$6.1 million.	1. Using condition based assessments plan for replacement of bridges and renewal bridge and structure components.	✓	✓	✓
	2. Using information from seismic review and data from truck load assessments to create prioritisation list for renewal/replacement.			
Community expectations of footpath maintenance and renewals not meeting Council's planned programme.	3. Investigate where structural components need replacing versus full bridge replacement.			
	4. Increase funding to this activity, i.e. rates, financial assistance. Consider loan funding over the shorter term to smooth the effects of large capital expenditure.			
	1. Continue with an increased Waka Kotahi - NZTA and Council funded programme of \$500,000 per annum on maintenance and renewal of footpaths. (Previous LTP was rate funded only at \$80,000 for maintenance and \$240,000 for renewals per year.)	✓		
	2. Carry out renewals based on prioritisation programme where the need is deemed most critical and continue to monitor satisfaction levels. If satisfaction levels not considered by Council to be improving then review funding levels for the next LTP.	✓	✓	✓
The changing function of the network over time means there are pockets of infrastructure that are no longer fit for purpose, eg age/condition of critical assets, crashes, understrength bridges (seismic resilience/heavy traffic).	1. Reinstate/maintain/increase capacity/service at sites and locations where there are confirmed gaps in levels of service, e.g. improve strength of existing bridges, replace if at end of economic life. Prioritise areas for renewals based on the importance of the infrastructure to consumers and other critical factors.	✓	✓	✓
	2. Maintain quality of asset components so they remain fit for purpose.	✓	✓	✓
	3. Defer renewals.	✓	✓	✓
	4. Rationalise the road network and road assets, where possible based on the One Network Framework to ensure funding goes to areas of greatest need.	✓	✓	✓
	5. Post bridges to reduce loading impact for safety reasons.	✓	✓	✓
	6. Use safety signage and other means (reduced posted speed limits), safety guard rails to reduce impact and safety issues on roads.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
	7. More cost effective materials, operations and construction methods, ie concrete line existing pipes.	✓	✓	✓
	8. Continue to lobby Waka Kotahi - NZTA for increased financial assistance rates based on evidence and identified needs.	✓	✓	✓
Resilience of key roading assets, especially bridges, needs to be improved to mitigate potential damage from natural hazards, eg earthquakes.	1. Carry out upgrade works based on priorities established from condition assessments. Strategy provides for \$900,000 of seismic strengthening to priority bridges first three years. Thereafter further review is proposed to identify next highest priority bridges.	✓	✓	✓
The increasing intensity and number of natural events impacts on the security of the network and raises the risk of isolated communities (increasing extreme events, high temperatures, rainfall, road closures).	1. Maintain network asset quality to ensure they remain fit for purpose to the best of Council's ability including ensuring when assets are replaced they take into account capacity and durability requirements relating to climate change	✓	✓	✓
	2. Ensure contracting resources are available to keep roads open or reopened as soon as possible after events.	✓	✓	✓
A constrained transport network. This inhibits the potential for economic development and reliability, as well as heightening the potential for conflict between increasingly different user types in the form of crashes (eg productivity of commercial vehicles, crashes, complaints/service requests, increasing tourist traffic).	1. Monitor trends in the mix and volume of road users and crashes.	✓	✓	✓
	2. Develop and provide solutions where identified issues are occurring such as signage, safety improvements, widened roads, encouraging alternative transport modes (ride sharing, public transport, walking, cycling), strengthening road asset components.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council has adopted a CBD Redevelopment Plan. Prior to any major works being carried out, it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets 	<p>1. Carry out traffic calming and safety improvement works in the Greymouth CBD area which align with Council's CBD Redevelopment Plan.</p>	✓		

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with Council's roading network	69%	70%	72%	75%	Improving
	% of residents are satisfied with the way local roads are maintained	53%	53%	54%	55%	Improving
	% of residents are satisfied with the way footpaths are maintained	43%	45%	50%	55%	Improving
	% of customer requests responded to within 10 working days	82%	85%	87%	90%	Improving
The condition of our roads, bridges and footpaths	% of roads which meet smooth roads standard	91%	90%	90%	90%	No change
	% of sealed road network resurfaced per year	3.54%	7%	7%	7%	No change
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in Combined West Coast Land Transport AMP)	78%	80%	80%	80%	No change
	% of bridges posted more than Class 1 – 44 tonnes	New measure	91%	93	94%	Improving
	% of bridges can cross 50 MAX or HPMV	New measure	89%	90%	92%	Improving
The safety of our roads	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors <ul style="list-style-type: none"> 2019/2020 – 1 out of 6 fatal/serious injury crashes were attributable 2018/2019 – 3 out of 6 fatal/serious injury crashes were attributable * Most recent NZTA Road Safety Information, 2013	<17%	<17%	<17%	<15%	Improving (decrease in fatalities/serious injury crashes)
	Change in number of fatalities/serious injury crashes from previous year on local roads 2019/2020 – 6 fatal/serious crashes 2018/2018 – 6 fatal/serious crashes	0	Reduction > 1	Reduction > 1	Reduction > 1	No change

Financial information

Activity funding

These activities are mainly funded by:

Rates

- The District requires an efficient transport network for economic viability, so there is a mix of direct benefit to the users of the network and general benefit to the whole District. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the District.

Subsidies and grants

- Council receives financial assistance from New Zealand Transport Agency (NZTA) towards the maintenance, renewal and additions to the roading network.

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Funding impact statement

	2021 Annual Plan	2022 LTP Year 1	2023 LTP Year 2	2024 LTP Year 3	2025 LTP Year 4	2026 LTP Year 5	2027 LTP Year 6	2028 LTP Year 7	2029 LTP Year 8	2030 LTP Year 9	2031 LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	2,293	2,689	2,971	2,958	3,308	3,411	2,999	3,526	3,630	3,738	3,851
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,750	2,068	2,126	2,117	2,171	2,226	2,285	2,346	2,407	2,472	2,540
Fees and charges	31	71	73	74	76	77	78	80	81	82	84
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	156	156	159	162	165	168	171	174	177	180	183
Total operating funding [A]	4,230	4,984	5,329	5,311	5,720	5,882	5,533	6,126	6,295	6,472	6,658
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,604	2,920	2,930	2,889	2,972	3,059	3,147	3,238	3,331	3,427	3,528
Finance costs	-	8	2	63	68	65	61	59	58	57	56
Internal charges and overheads applied	606	753	776	812	824	835	849	865	880	898	918
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	3,209	3,682	3,709	3,764	3,864	3,959	4,057	4,163	4,269	4,382	4,502
Surplus (deficit) of operating funding [A - B]	1,021	1,302	1,620	1,547	1,856	1,923	1,476	1,963	2,026	2,090	2,156
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,282	8,111	3,543	4,149	3,121	3,210	3,301	3,395	3,492	3,593	3,697
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	390	(320)	1,812	169	(101)	(108)	(93)	(25)	(27)	(29)	(31)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	2,672	7,791	5,355	4,318	3,020	3,102	3,208	3,370	3,465	3,564	3,666
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	988	5,198	405	963	13	13	13	13	13	13	13
—to replace existing assets	3,199	4,687	6,577	5,028	5,000	5,141	5,288	5,439	5,594	5,755	5,921
Increase (decrease) in reserves	(494)	(792)	(7)	(126)	(137)	(130)	(617)	(118)	(117)	(115)	(113)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	3,693	9,093	6,975	5,865	4,876	5,025	4,684	5,333	5,491	5,654	5,822
Surplus (deficit) of capital funding [C - D]	(1,021)	(1,302)	(1,620)	(1,547)	(1,856)	(1,923)	(1,476)	(1,963)	(2,026)	(2,090)	(2,156)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

	2021 Annual Plan	2022 LTP Year 1	2023 LTP Year 2	2024 LTP Year 3	2025 LTP Year 4	2026 LTP Year 5	2027 LTP Year 6	2028 LTP Year 7	2029 LTP Year 8	2030 LTP Year 9	2031 LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME											
General rates, uniform annual general charges, rates penalties	2,293	2,689	2,971	2,958	3,308	3,411	2,999	3,526	3,630	3,738	3,851
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	4,032	10,179	5,669	6,266	5,292	5,436	5,586	5,741	5,899	6,065	6,237
User charges and regulatory income (consent fees, infringements etc...)	31	71	73	74	76	77	78	80	81	82	84
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	156	156	159	162	165	168	171	174	177	180	183
Total income	6,512	13,095	8,872	9,460	8,841	9,092	8,834	9,521	9,787	10,065	10,355
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	2,604	2,920	2,930	2,889	2,972	3,059	3,147	3,238	3,331	3,427	3,528
Finance costs	-	8	2	63	68	65	61	59	58	57	56
Internal charges and overheads applied	606	753	776	812	824	835	849	865	880	898	918
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	4,551	4,551	4,551	4,692	4,692	4,692	5,117	5,117	5,117	5,575	5,575
Total expenditure	7,760	8,233	8,260	8,456	8,556	8,652	9,175	9,280	9,386	9,958	10,078
Surplus (deficit) of activities	(1,248)	4,862	612	1,004	285	440	(341)	241	401	107	277

How we manage our assets that support this activity

Council has an extensive level of information about its roading and associated assets contained in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, response to complaints and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Moonlight Creek Bridge Replacement	975	100	-	-	-	-	-	-	-	-	-
Rough River Bridge Replacement	-	260	-	-	-	-	-	-	-	-	-
William Stewart Bridge Replacement	-	4,445	122	-	-	-	-	-	-	-	-
Shantytown Cycle Trail	-	380	270	950	-	-	-	-	-	-	-
Miscellaneous new capital	13	13	405	963	13	13	13	13	13	13	13
	988	5,198	797	1,913	13	13	13	13	13	13	13

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General bridge renewals (including components)	307	609	870	748	601	618	636	654	673	692	712
Replacement of assets after severe weather	466	466	481	495	510	524	540	555	571	588	605
On-going minor safety improvements and miscellaneous	-	950	979	1,007	1,035	1,064	1,094	1,125	1,157	1,191	1,225
Footpath renewals	70	25	26	27	27	28	29	30	31	32	32
General renewals	2,356	2,637	4,221	2,751	2,827	2,907	2,989	3,075	3,162	3,252	3,347
	3,199	4,687	6,577	5,028	5,000	5,141	5,288	5,439	5,594	5,755	5,921

Proposed changes to levels of service

A new heavy vehicle access route to the Port is included in the plan – a feasibility study will be carried out in year one, with implementation scheduled for year two.

There is a significant increase in expenditure for year one, which is related to completion of bridge renewals/replacements which have been funded by PGF.

Additional capacity

None are specifically provided for in this Draft Plan, beyond providing for future growth when replacing assets.

What additional capacity is required?

The AMP contains detailed assessment of anticipated increases in demand.

Essentially over the next ten years there is unlikely to be any anticipated significant increase in demand based on the overall population growth projections for the Grey District. However, based on a review of the Census information, including normally resident population and dwellings, rural residential development has occurred and is likely to continue to occur in the following Census areas: South Beach-Cameras, Barrytown, Marsden-Hohonu, Arnold Valley and Nelson Creek-Ngahere. This type of demand and the effects on the roading activity will be monitored and are mostly to be managed through subdivision consent requirements.

With respect to renewals, which also include increased level of service and/or capacity, the reasons for this are:

- Roads – to meet current and future traffic volumes over the next 30 years.
- Bridges – to comply with current bridge standards and to meet current and future traffic volumes over the next 30 years.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity or any new roads.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding sources of funding for replacement of assets are:

- NZTA funding rates may change within the first ten years of the AMP as they review their rates every five years.
- NZTA funding will not materially change in years 11 to 30 of the AMP from what has been signalled by the Government funding agency.
- Other sources of funding include:
 - Rates
 - Amounts negotiated by agreement for any future developments that may create significant adverse effects to land transport infrastructure.

Significant potential negative effects of this activity

Council's work in building new, and maintaining existing, roads can potentially cause short term noise, dust, vibration and traffic congestion, while road accidents can and will happen.

Contaminants discharged from vehicles to the road surface can also be transferred to adjacent properties, drains and other waterways.

Stormwater

Also refer to PART D: Infrastructure Strategy for more information on this activity.

Activities included in this group

Stormwater includes the following key functions:

- Management of Stormwater systems (mostly in urban residential areas), including public open drains.
- Flood prevention. This includes maintaining urban watercourses.

Note: Council has a minor Flood Protection responsibility in that it puts floodgates in place in specific locations when levels in the Grey River reach a specific height.

It also maintains and operates flood pump stations at Johnston Street and Tarry Creek Greymouth as part of the Greymouth Flood Scheme on behalf of the Greymouth Flood Scheme Committee (a joint Grey District Council and West Coast Regional Council committee).

Why we are involved in this activity/these activities

Council needs to control stormwater to protect our community's health and safety and minimise property damage and access. Adequate collection and disposal arrangements are of critical importance and the flood prevention focus is important.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable	The effective management and strategic approach of the stormwater system provides continuity of access to infrastructure and property throughout the district.
Social Wellbeing	
Safe	The effective management of the stormwater system provides community, industry, and business with assurances of safety.
Environment Wellbeing	
Practical Resilient Sustainable	The effective management and strategic approach of the stormwater system provides for resiliency and a sustainable environment throughout the district.

What we'll provide

A summary of Council's stormwater infrastructure is as follows:

Community	Pipe Drains (metres)	Stormwater Pump Stations (number)	Flood Scheme
Ahaura	1,031.28	1	Greymouth Scheme
Blackball	2,059.12		
Blaketown	9,947.61		
Cobden	20,402.30	1	Greymouth Scheme
Dobson/Taylorville	5,520.22	2	Greymouth Scheme
Greymouth	60,855.34		
Iveagh Bay	1,618.23		
Karoro	7,047.32	1	Jacks Road - Paroa
Moana	4,916.32		
Runanga	11,589.52		
Rural	3,219.42	1	Jacks Road - Paroa
South Beach/ Paroa	4,245.33		
Stillwater	12.8		
Total	132,428.54	5	

Since the last LTP (2018), the total length of stormwater pipe networks has increased from 128.8km to 132.4km, a 3.6km increase. A significant proportion of this increase (2.2 km) was in the Greymouth area where existing combined stormwater and sewer pipes have become dedicated stormwater only pipes, as a result of installing new sewer only pipes for the Greymouth sewage treatment scheme.

Information on minor stormwater drains in urban areas is incomplete and efforts to record actual data are on-going.

The following stormwater standards apply:

- All urban systems with the exception of Greymouth CBD are designed to cope with a 1-in-5 year on average storm - no ponding is evident after two hours after the rain stops and there is no damage to houses.
- The Greymouth CBD system is designed to cope with a 1-in-1 year on average storm. Physical constraints make it very difficult to improve this performance without considerable capital investment.
- Ponding or secondary flow on local roads is limited to 100mm maximum in height at the centreline such that the road is passable in a 1-in-20 year on average storm.

Council will undertake the following:

- Stormwater maintenance works
- Stormwater network renewals
- Stormwater utilities renewals
- Clearance of open public drains
- Clearance of urban drainage channels
- Placement of flood gates when Grey River levels reach a certain height
- Operation of the stormwater pump stations for the Greymouth Scheme

New capital works and upgrades to the capacity of existing systems will also be considered by Council where there is a demonstrated technical need.

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Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have significant deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	<ol style="list-style-type: none"> 1. Utilise information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, e.g. effect on the environment if failure occurs. 2. Increase rate funding by \$500,000 from year 2. 3. Increase rate funding by \$50,000 per annum (cumulative) from year 8 until the backlog is removed. 4. More cost effective materials, operations and construction methods, (e.g. concrete lining of existing pipes). 	✓	✓	✓
Ownership of Community Infrastructure Assets. A direct issue as who owns and who will fund this infrastructure asset in the future affects who will make decisions and who will be able to plan for future investment.	<ol style="list-style-type: none"> 1. Status Quo - Potentially not an option if the Government enacts new legislation for change, however for this plan it is assumed stormwater will remain under the stewardship and governance of Council. 2. External Organisational Structure - Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making. 	✓	✓	✓
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk. Water supply infrastructure may need to be provided to areas provided for relocated communities.	<ol style="list-style-type: none"> 1. Retreat of residential and other developments - May mean abandonment, removal and/or relocation of infrastructure including protection works at new locations. 2. Protect existing residential and other developments - Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. 3. Reduce carbon heat emissions to slow down, halt and reverse global warming. 	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Te Tai o Poutini Plan (TTPP or One Plan) – Management of risks from natural hazards and climate change The TTPP will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones. TTPP consultation documents being released in Year 1, submissions and hearings Years 2 and 3, decisions released Year 4, which are subject to appeal to Environment Court. Not able to plan with any certainty for impacts of TTPP changes on infrastructure until Year 3 and may be subject to change in Year 4 or latter.	<ol style="list-style-type: none"> 1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change. 2. Monitor progress, assess and recommend infrastructure strategies for activities in the next LTP. 3. Monitor progress on consultation and adoption of the One District Plan and promote funding of infrastructure for urban expansion through private sector investment (subdivision) development and financial contributions. 	✓	✓	✓
Vulnerability of buried pipes and related infrastructure in soft ground subject to natural hazards such earthquakes and liquefaction.	<ol style="list-style-type: none"> 1. Carry out upgrade works in based on priorities established from condition assessments 	✓	✓	✓
Natural hazards and/or climate change causing direct and/or backup flooding or damage to properties and infrastructure. Need to consider floodwalls, detention ponds, stormwater pumping systems, increased pipe capacity and additional stormwater networks.	<ol style="list-style-type: none"> 1. Funding through West Coast Regional Council (WCRC) rating districts. 2. Possible part funding through Council. 3. Allow for capacity increases as pipelines are replaced. 4. Review capacity of stormwater systems in townships to cope with current and future predicted storm events. Include possible stormwater network enhancements in future LTPs. 5. Review resilience of pump stations and pump station components at the time components fall due for replacement. 	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council has adopted a CBD Redevelopment Plan. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. Issues identified to date include: <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets Note: Building over our pressurised pipelines is not an option.	1. Provide funds to relocate or protect existing underground infrastructure. 2. Revise CBD designs to accommodate existing underground infrastructure.	✓		
Stormwater is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its stormwater network to the best of its ability	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	Number of complaints received about a Council stormwater scheme (per 1,000 properties connected to a Council scheme) Number of service connections: 6,199	Total complaints: 28 Per 1,000 properties: 4.5	Total complaints: 30 Per 1,000 properties: 4.8	Total complaints: 30 Per 1,000 properties: 4.8	Total complaints: 27 Per 1,000 properties: 5.6	Improving (decreasing complaints from year 4)
The reliability and efficiency of the stormwater system	% of residents are satisfied with the way their property drains stormwater in urban and residential areas	73%	70%	70%	74%	Improving from year 4

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
	Maximum number of flooding events *	Nil	Nil	Nil	Nil	No change
	<p>* <i>Note: a flood event is defined as a 50 year flood, which is a flood event that has a 2% probability occurring in any given year. To measure this Council will obtain information on corresponding storm event rainfall intensities.</i></p> <p>For each flooding event, maximum number of habitable floors affected (per 1,000 properties connected to a Council scheme) Number of serviced urban properties: 6,199 <i>Note:</i> Council is only measuring reported incidents in urban areas where the stormwater network is. Number of serviced properties includes all urban properties, whether connected to the Council service or not. Some properties discharge stormwater via their own property stormwater system to watercourses.</p>	Nil	Total floors: 2 Per 1,000 properties: 0.32	Total floors: 2 Per 1,000 properties: 0.32	Total floors: 2 Per 1,000 properties: 0.32	No change
	Median response time to attend a flooding event	Nil	3 hours	3 hours	3 hours	No change
Stormwater discharges are managed without adversely affecting the receiving environment	Number of abatement notices	0	2	2	2	No change
	Number of infringement notice	0	1	1	1	No change
	Number of enforcement orders	0	Nil	Nil	Nil	No change
	Number of successful prosecutions	0	Nil	Nil	Nil	No change
	<i>Total for all enforcement actions</i>	<i>0</i>	<i>3</i>	<i>3</i>	<i>3</i>	

Financial information

Activity funding

These activities are mainly funded by:

General Rates

- The District requires efficient stormwater/flood protection assets for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole District. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the District.

Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan \$000	LTP Year 1 \$000	LTP Year 2 \$000	LTP Year 3 \$000	LTP Year 4 \$000	LTP Year 5 \$000	LTP Year 6 \$000	LTP Year 7 \$000	LTP Year 8 \$000	LTP Year 9 \$000	LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,361	1,470	1,322	1,663	2,008	3,395	2,340	2,342	2,442	2,716	3,645
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	1,361	1,470	1,322	1,663	2,008	3,395	2,340	2,342	2,442	2,716	3,645
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	503	579	595	608	621	635	649	666	685	704	719
Finance costs	18	20	23	32	42	54	67	82	96	108	108
Internal charges and overheads applied	159	204	209	212	216	220	225	230	236	242	248
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	681	802	826	852	879	909	941	978	1,016	1,053	1,076
Surplus (deficit) of operating funding [A - B]	680	668	496	811	1,129	2,486	1,399	1,364	1,426	1,663	2,569
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	43	141	672	(3)	406	401	442	423	325	(86)	(1,116)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	43	141	672	(3)	406	401	442	423	325	(86)	(1,116)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	226	147	283	283	258	455	505	495	408	183	8
—to replace existing assets	1,000	685	1,137	1,180	1,138	1,639	1,335	1,291	1,343	1,394	1,445
Increase (decrease) in reserves	(502)	(24)	(252)	(655)	139	792	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	723	809	1,168	808	1,535	2,887	1,841	1,787	1,751	1,577	1,453
Surplus (deficit) of capital funding [C - D]	(680)	(668)	(496)	(811)	(1,129)	(2,486)	(1,399)	(1,364)	(1,426)	(1,663)	(2,569)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	1,361	1,470	1,322	1,663	2,008	3,395	2,340	2,342	2,442	2,716	3,645
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	1,361	1,470	1,322	1,663	2,008	3,395	2,340	2,342	2,442	2,716	3,645
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	503	579	595	608	621	635	649	666	685	704	719
Finance costs	18	20	23	32	42	54	67	82	96	108	108
Internal charges and overheads applied	159	204	209	212	216	220	225	230	236	242	248
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	776	704	704	728	728	728	780	780	780	849	849
Total expenditure	1,457	1,507	1,531	1,581	1,607	1,637	1,721	1,758	1,796	1,902	1,925
Surplus (deficit) of activities	(96)	(37)	(209)	82	401	1,758	619	584	646	814	1,720

How we manage our assets that support this activity

Council has an extensive level of information about its stormwater and associated assets but information with regards to open public drains is lacking. Information is contained in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, road, response to complaints and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Tasman Street upgrades	79	79	-	-	-	-	-	-	-	-	-
Greymouth Urban Stormwater Upgrade	-	-	-	-	50	448	498	488	400	-	-
Nolan Crescent Stormwater Upgrade	-	3	3	3	3	3	3	3	3	178	3
Moa Street Dobson	-	-	-	-	200	-	-	-	-	-	-
Miscellaneous new capital	147	65	280	280	5	4	4	4	5	5	5
	226	147	283	283	258	455	505	495	408	183	8

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals of the network	1,000	685	1,137	1,180	1,138	1,639	1,335	1,291	1,343	1,394	1,445
	1,000	685	1,137	1,180	1,138	1,639	1,335	1,291	1,343	1,394	1,445

Proposed changes to levels of service

The focus over the next three years is to maintain existing levels of service taking into account projected population growth/decline and other demand factors.

It is noted there will be some improvement in the level of service provided due to stormwater upgrades over the life of this plan, e.g. central Greymouth, Dobson etc.

Additional capacity

The AMP shows no significant increase in demand based on population growth/decline projections.

To sustain the current agreed levels of service, when pipes and associated systems are replaced, pipe sizes will be increased to cater for climate change effects.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP.

- Where assets remain in service beyond their useful life, they will be prioritised for replacement with a majority of the backlog being addressed during the life of this plan.

Assumptions regarding sources of funding for replacement of assets are:

- Project costs will primarily be funded through rates for the replacement assets.
- Other sources of funding include:
 - Financial contributions

Significant potential negative effects of this activity

Whilst the stormwater service as such can have negative effects in the form of collection and discharges of contaminants, it is more capacity constraints of the systems that can have significant effects as outlined in the implications (consequences) shown in the table above on significant issues.

Two primary examples are:

- Capacity constraints of the Greymouth CBD system and associated surface flooding during extreme rain events.
- Collapsed stormwater pipes that could lead to property damage include vehicles on roads and if the collapse occurs during storm events, also associated surface flooding and consequential property damage.

Wastewater (sewerage)

Also refer to PART D: Infrastructure Strategy for more information on this activity.

Activities included in this group

Sewerage includes collection, treatment and disposal in the six (6) Council schemes of:

- Wider Greymouth area (Greymouth, Cobden, Blaketown, Boddytown, Dobson, Taylorville and Kaiata)
- Karoro, South Beach, Paroa
- Runanga/Dunollie
- Moana
- Blackball
- Iveagh Bay (Te Kinga)

The Kaiata Developments scheme is likely to transfer to Council before or during the term of this Plan.

This activity does not cover on-site individual property waste disposal systems or public schemes that are owned and operated by other individuals or businesses.

Why are we involved in this activity

By collecting, treating and disposing of wastewater, Council provides a service to residents and businesses that supports development in the District and protects the physical environment and our community's health.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable	The effective management, treatment and maintenance of waste and wastewater systems is integral to providing for a strong and sustainable economy.
Social Wellbeing	
Safe	The effective management, treatment and maintenance of waste and wastewater systems is fundamental to the health and safety of people within the community.
Environment Wellbeing	

OUTCOME	CONTRIBUTION
Practical Resilient Strategic	The effective and strategic management, treatment and maintenance of waste and wastewater systems ensures resiliency of the Environment now and into the future.

What we'll provide

A summary of Council's wastewater infrastructure is as follows:

Community	Number of connections	Treated discharge to
Blackball	200	Ford Creek
Blaketown	Included in Greymouth	Grey River
Cobden	Included in Greymouth	Grey River
Dobson/Taylorville	Included in Greymouth	Grey River
Greymouth	3,696	Grey River
Iveagh Bay	51	Ground
Karoro	402	Tasman Sea
Moana	334	Arnold River
Runanga	543	7 Mile Creek
South Beach/Paroa	286 (part of Karoro WWTP)	Tasman Sea
Kaiata Park *	64	Ground
TOTAL	5,512	

**Kaiata Park is in the process of being transferred to Council with all conditions expected to be complete by Year 1 of this Plan. Kaiata Park is not included in the overall connection total.*

Source: Rates Information – number of separately used or inhabitable parts of a rating unit.

The scheme areas are based on the extent of pipe networks that exist in these areas. The community areas related to the Census boundaries defined by Statistics New Zealand.

The partially treated effluent discharges to the Grey River for the Greymouth Scheme (Cobden, Blaketown, Greymouth Central and Greymouth South) near Johnston Street and

Cobden will be discontinued during the life of this Plan. One fully treated effluent discharge site will be retained near Johnston Street.

Effluent from Cobden will be pumped across the Grey River (via the Cobden State Highway bridge) to the Greymouth Treatment Plant at Preston Road, where it will be treated then pumped to Johnston Street for final treatment prior to discharge.

Council will attend to the following:

- Completion of outstanding separation works for the Greymouth Scheme and encouraging individual properties to connect to the scheme in the areas of Greymouth, Blaketown, Cobden, Taylorville, Dobson and Kaiata
- On-going maintenance of the network (i.e. pipes) and plant (pumps etc)
- Sewer renewals and replacement
- Pumping station annual maintenance
- Wastewater network cyclical replacement
- Management of systems as Lifelines

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Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have a level of deferred renewals but they are not as significant as those in the water supply and stormwater activities. Council is planning to relook at the funding of these from year 7.	1. Use information from condition assessments to carry out renewal works on a prioritisation basis within existing budgets in order to maintain levels of service and avoid potential critical failures.	✓	✓	✓
Ownership of Community Infrastructure Assets. A direct issue as who owns and who will fund this infrastructure asset in the future affects who will make decisions and who will be able to plan for future investment.	1. Status Quo - Potentially not an option if the Government enacts new legislation for change, however for this plan it is assumed stormwater will remain under the stewardship and governance of Council. 2. External Organisational Structure - Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making.	✓	✓	✓
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk. Water supply infrastructure may need to be provided to areas provided for relocated communities.	1. Retreat of residential and other developments - May mean abandonment, removal and/or relocation of infrastructure including protection works at new locations. 2. Protect existing residential and other developments - Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. 3. Reduce carbon heat emissions to slow down, halt and reverse global warming.	✓	✓	✓
Te Tai o Poutini Plan (TTPP or One Plan) – Management of risks from natural hazards and climate change The TTPP will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones. TTPP consultation documents being released in Year 1, submissions and hearings Years 2 and 3, decisions released Year 4, which are subject to appeal to Environment Court. Not able to plan with any certainty for impacts of TTPP changes on infrastructure until Year 3 and may be subject to change in Year 4 or latter.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change. 2. Monitor progress, assess and recommend infrastructure strategies for activities in the next LTP. 3. Monitor progress on consultation and adoption of the One District Plan and promote funding of infrastructure for urban expansion through private sector investment (subdivision) development and financial contributions.	✓	✓	✓

Fund wastewater scheme upgrades.	1. Fund these works through the LTP.	✓	✓	✓
Vulnerability of buried pipes and related infrastructure in soft ground subject to natural hazards such earthquakes and liquefaction. Includes climate change.	1. Carry out upgrade works in based on priorities established from condition assessments. 2. Managed retreat where other options are not economically feasible.	✓	✓	✓
Council has adopted a CBD Redevelopment Plan. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. Issues identified to date include: <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets Note: Building over our pressurised pipelines is not an option.	1. Provide funds to relocate or protect existing underground infrastructure. 2. Revise CBD designs to accommodate existing underground infrastructure.	✓		
Wastewater is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its wastewater network to the best of its ability.	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with wastewater service (where the service is available)	63%	63%	65%	65%	Improving

	Number of complaints received, e.g. about odour, faults, blockages, response times (per 1,000 sewerage connections) Number of service connections: 5,512	Total complaints: 65 Per 1,000 properties: 12.9	Total complaints: 55	Total complaints: 50	Total complaints: 50	Improving (decreasing complaints)
The reliability and efficiency of the wastewater system	Number of wastewater overflows into houses due to faults in the public reticulation	Nil	Nil	Nil	Nil	No change
	Number of dry weather sewerage overflows (per 1,000 sewerage connections) Number of service connections: 5,512	Total overflows: 9 Per 1,000 properties: 1.8	Total overflows: 9	Total overflows: 9	Total overflows: 8	Improving (decreasing complaints)
	Median response times to reported faults <ul style="list-style-type: none"> to get to site (timed from notification) to resolve the problem (timed from notification) (Where contaminated sites are discovered or identified through site investigations, response times will be longer if consents are required to remove and dispose of material)	<ul style="list-style-type: none"> 39 minutes 2.16 hours 	<ul style="list-style-type: none"> 1 hour 5 hours 	<ul style="list-style-type: none"> 1 hour 5 hours 	<ul style="list-style-type: none"> 1 hour 4 hours 	Improving (decreasing time to resolve problems)
Treated wastewater discharges are managed without adversely affecting the receiving environment	Number of abatement notices	0	2	2	2	No change
	Number of infringement notices	0	1	1	1	No change
	Number of enforcement orders	0	Nil	Nil	Nil	No change
	Number of successful prosecutions	0	Nil	Nil	Nil	No change
	<i>Total for all enforcement actions</i>	<i>0</i>	<i>3</i>	<i>3</i>	<i>3</i>	

Financial information

Activity funding

These activities are mainly funded by:

Targeted Rates

- Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.

Subsidies and loans

- New capital works are funded via any available subsidies and loans. The targeted rate meets the required loan repayment.

Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan \$000	LTP Year 1 \$000	LTP Year 2 \$000	LTP Year 3 \$000	LTP Year 4 \$000	LTP Year 5 \$000	LTP Year 6 \$000	LTP Year 7 \$000	LTP Year 8 \$000	LTP Year 9 \$000	LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,570	2,698	2,777	3,109	3,091	2,940	2,998	3,327	3,409	3,216	3,289
Subsidies and grants for operating purposes	-	50	-	-	-	-	-	-	-	-	-
Fees and charges	71	91	92	94	96	98	99	101	103	105	106
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,641	2,839	2,869	3,203	3,187	3,038	3,097	3,428	3,512	3,321	3,395
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,240	1,406	1,382	1,411	1,441	1,471	1,500	1,535	1,575	1,615	1,649
Finance costs	352	443	437	473	463	449	433	416	398	378	358
Internal charges and overheads applied	226	260	266	270	275	281	287	294	301	308	317
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,818	2,110	2,085	2,155	2,179	2,201	2,220	2,245	2,273	2,301	2,324
Surplus (deficit) of operating funding [A - B]	823	729	784	1,048	1,008	837	877	1,183	1,239	1,020	1,071
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,047	1,142	(168)	1,118	(2)	(465)	(496)	(529)	(564)	(602)	(642)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	1,047	1,142	(168)	1,118	(2)	(465)	(496)	(529)	(564)	(602)	(642)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	1,553	1,575	168	99	400	-	-	-	-	-	-
—to replace existing assets	589	337	448	2,067	606	372	381	654	675	418	429
Increase (decrease) in reserves	(273)	(40)	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	1,870	1,871	616	2,166	1,006	372	381	654	675	418	429
Surplus (deficit) of capital funding [C - D]	(823)	(729)	(784)	(1,048)	(1,008)	(837)	(877)	(1,183)	(1,239)	(1,020)	(1,071)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,570	2,698	2,777	3,109	3,091	2,940	2,998	3,327	3,409	3,216	3,289
Subsidies and grants (operating and capital)	-	50	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	71	91	92	94	96	98	99	101	103	105	106
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	2,641	2,839	2,869	3,203	3,187	3,038	3,097	3,428	3,512	3,321	3,395
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,240	1,406	1,382	1,411	1,441	1,471	1,500	1,535	1,575	1,615	1,649
Finance costs	352	443	437	473	463	449	433	416	398	378	358
Internal charges and overheads applied	226	260	266	270	275	281	287	294	301	308	317
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,052	1,506	1,052	1,088	1,088	1,088	1,166	1,166	1,166	1,269	1,269
Total expenditure	2,870	3,616	3,137	3,243	3,267	3,289	3,386	3,411	3,438	3,570	3,593
Surplus (deficit) of activities	(229)	(777)	(268)	(40)	(80)	(251)	(289)	17	74	(249)	(198)

How we manage our assets that support this activity

Council has an extensive level of information about its Wastewater and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, treated sewerage effluent standards, continuity of supply, response to complaints, and criteria for maintenance, renewals, and upgrades. The AMP details how Council will comply with all relevant legislation and regulatory requirements at all times.

Assets that are critical to the system are monitored proactively and decisions are made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Greymouth wastewater upgrade	1,367	1,367	-	-	400	-	-	-	-	-	-
Pond Effluent Upgrade	1,367	99	99	99	-	-	-	-	-	-	-
Miscellaneous new capital	186	109	69	(0)	-	-	-	-	-	-	-
	2,920	1,575	168	99	400	-	-	-	-	-	-

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Renewals of the wastewater network - Runanga/Dunollie	466	70	73	311	318	78	79	344	355	87	90
UV Replacement Greymouth	466	-	100	1,400	-	-	-	-	-	-	-
General renewals of the wastewater network	123	267	275	356	288	294	302	310	320	331	339
	1,055	337	448	2,067	606	372	381	654	675	418	429

Proposed changes to levels of service

The focus over the next three years is to maintain existing levels of service taking into account projected population growth or decline, past workloads and other demand factors.

The next LTP includes the following projects for consideration:

- Extension of Karoro scheme to Gladstone-Camersons area.
- Extension of Runanga scheme to Rapahoe area.

Additional capacity

The AMP shows no significant increase in demand based on population growth projections.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP. It is assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

- Known areas where the service life is less than the typical assumed average service life based on the type of materials used are Runanga and Dunollie

Assumptions regarding sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset.
- Other sources of funding include:
 - Rates and user charges
 - Financial contributions
 - Special reserve funds
 - Financial assistance (primarily from Ministry of Health)

Significant potential negative effects of this activity

- The capacity of sewerage systems may be exceeded in extreme weather events which may result in wastewater overflows.
- Component failure may also cause system under-performance which, in turn can result in overflows.
- Increased severity of damage if failure of activity component(s) occurs, e.g. main line breakage.
- Lack of ability to fund required works and services.
- Insufficient service provision by service providers (poor design and/or work standards).
- Public land/property/space not available for other uses.

Water supply

Also refer to PART D: Infrastructure Strategy for more information on this activity.

Activities included in this group

This activity includes sourcing, treating and distributing water from the following Council water supply schemes:

- Wider Greymouth (Greymouth, Cobden, Blaketown, Boddytown, Karoro, South Beach, Paroa, Taylorville, Dobson and Stillwater)
- Runanga/Dunollie/Rapahoe (currently fed from Greymouth Scheme) *
- Blackball

* Note: While the Runanga water supply has been upgraded, it has not been commissioned and that community is currently connected to the Greymouth water supply. A decision to proceed has been deferred pending the outcome of the Three Waters reform.

The Kaiata Developments scheme will transfer to Council before or during the term of this Draft Plan. This is a new scheme created as part of a subdivision development. A condition of the Resource Consent is that the water supply must meet current drinking water standards prior to transfer to Council.

Why we are involved in these activity/these activities

Water is a basic need and an essential service. We provide quality, affordable water and, in the process contribute to:

- Our community's health
- Community safety (through water supply for firefighting)
- Industrial and residential development

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable	The effective management, treatment and maintenance of water and water supply systems is integral to providing for a strong and sustainable economy.
Social Wellbeing	
Safe	The effective management, treatment and maintenance of water supply systems is fundamental to the health and safety of people within the community.
Environment Wellbeing	
Practical Resilient Strategic	The effective and strategic management, treatment and maintenance of water and water supply systems ensures resiliency of the Environment now and into the future.

What we'll provide

The three water supply networks operated and maintained by Council require approximately 204.9km of pipes, 15 reservoirs, and 15 pump stations to deliver over 2.6 billion litres of water per year.

There are over 5,100 households and businesses connected to a Council scheme. Twelve percent of the District's population provide their own water supply.

A summary of Council's water infrastructure and distribution is as follows:

	Greymouth	Blackball	Runanga/Rapahoe
Number of connections	4,286	204	650 *
Bacterial compliance – treatment plant	Yes	Yes	Yes
Protoza compliance – treatment plant	Yes	Yes	Yes
Bacterial compliance – reticulation zone	Greymouth – yes Cobden – yes	Yes	Runanga – yes Rapahoe – yes

* Currently fed from Greymouth supply.

The above information is for the period 1 July 2016 to 30 June 2017 is published by the South Island Drinking Water Assessment Unit.

All schemes for the compliance period met requirements for bacterial protection. While compliant, the Runanga Scheme was the highest risk as there is no disinfection systems in place.

Greymouth and Stillwater (connected to the Greymouth Scheme) were compliant for protozoa protection. Dobson-Taylorville, at the time, had no protozoa protection but is now connected to the Greymouth scheme. Runanga is not protected. Blackball is protected, however for five months of the year the level of protection was not sufficient. This was caused by a turbidity issue in the raw water bladders which is to be fixed.

Runanga distribution zone was not compliant for bacteria as there is not disinfection system currently for this supply.

An intermittent chemical non-compliance is occurring in the Greymouth Scheme. This is caused by a build-up of disinfection by-products in the distribution zone, which is happening because of high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. At this stage the advice is to monitor the situation to learn more about the issue in order to determine appropriate solutions. The situation may be aggravated by older-internally rougher pipes retaining build up on the inside of the pipes.

Providing good quality water supply to our community is a core business for Council. Council is responsible for the operation and maintenance of these water schemes, which includes:

- Managing and maintaining the network so water is constantly available on demand and is delivered at an appropriate quality (colour and taste) and quantity (pressure and flow) (in part to meet firefighting requirements).
- Responding promptly to fix all faults.
- Detecting and fixing leaks, installing water meters for large commercial water users and water meter readings.
- Planning and carrying out renewals to replace assets in a timely manner.
- Monitoring water quality to ensure it meets the required standard and is not contaminated or presenting a health risk.
- Planning to respond to emergency events that may damage the network, such as earthquakes. We often refer to this as Lifelines Planning, as lifelines are critical services that will be needed during an emergency event.
- Forward planning to ensure future demand can be met, taking into account anticipated growth and other factors such as climate change impacts.

The physical works required for the maintenance of the schemes is contracted out, typically for five year contracts. Major renewals or new capital works are also contracted out via tender.

Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures. Implications include: <ul style="list-style-type: none"> High leakage rates, made worse by high pressures in some areas. Build-up of disinfection by-products, interfering with compliance rates. This is caused by high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. The situation may be aggravated by older-externally rougher pipes retaining buildup on the inside of the pipes. Old pipes are generally more rigid/brittle, which means in a seismic effect they are more likely to fail. 	<ol style="list-style-type: none"> Increase funding levels, i.e. from rates.. Carry out upgrade works based on priorities established from condition assessments. Investigate advantages and disadvantages of water metering for all consumers (will reduce demand). Pressure reduction to extend the life of assets where feasible and acceptable to consumers. Improve efficiencies. Utilise more cost effective materials, operations and construction methods. Defer renewals. 	✓	✓	✓
Ownership of Community Infrastructure Assets. A direct issue as who owns and who will fund this infrastructure asset in the future affects who will make decisions and who will be able to plan for future investment.	<ol style="list-style-type: none"> Status Quo - Potentially not an option if the Government enacts new legislation for change, however for this plan it is assumed stormwater will remain under the stewardship and governance of Council. External Organisational Structure - Monitor developments in this area and if status quo is not an option, then ensure the communities that own the infrastructure continue to have a voice in future decision making. 	✓	✓	✓
Climate Change Existing residential and other developments at risk from coastal erosion and other climate change effects. Communities at Rapahoe and southern end of lower Cobden currently at risk.	<ol style="list-style-type: none"> Retreat of residential and other developments - May mean abandonment, removal and/or relocation of infrastructure including protection works at new locations. Protect existing residential and other developments - Will mean provision of or upgrade of existing infrastructure to protect communities and other infrastructure. Reduce carbon heat emissions to slow down, halt and reverse global warming. 	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Te Tai o Poutini Plan (TTPP or One Plan) – Management of risks from natural hazards and climate change The TTPP will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones. TTPP consultation documents being released in Year 1, submissions and hearings Years 2 and 3, decisions released Year 4, which are subject to appeal to Environment Court. Not able to plan with any certainty for impacts of TTPP changes on infrastructure until Year 3 and may be subject to change in Year 4 or later.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change. 2. Monitor progress, assess and recommend infrastructure strategies for activities in the next LTP. 3. Monitor progress on consultation and adoption of the One District Plan and promote funding of infrastructure for urban expansion through private sector investment (subdivision) development and financial contributions.	✓		
Fund wastewater scheme upgrades.	1. Fund these works through the LTP.	✓	✓	✓
Vulnerability of buried pipes and related infrastructure in soft ground subject to natural hazards such earthquakes and liquefaction. Includes climate change.	1. Carry out upgrade works in based on priorities established from condition assessments. 2. Managed retreat where other options are not economically feasible.	✓	✓	✓
Water supply is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its water supply network to the best of its ability	✓	✓	✓
Council has adopted a CBD Redevelopment Plan. Experience with the first two stages is that it is crucially important to initially locate existing	1. Provide funds to relocate or protect existing underground infrastructure. 2. Revise CBD designs to accommodate existing underground infrastructure.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>underground services in order to as much as possibly avoid delays and increased costs.</p> <p>Issues identified to date include:</p> <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>				

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

Water standards

By the time of adoption of this LTP, all Council managed and maintained supplies will have been constructed to meet the New Zealand Drinking Water Standards. Please note that there will always be risks present in the land areas where water is sourced. Many of these risks are beyond Council's direct control. Practical means of protecting water supply users is to ensure barrier and treatment systems are in place at the intake/treatment plants and within the pipelines.

Council is required to supply a minimum of 12 months of data to the Ministry in order to provide assurance that the schemes will continue to meet the drinking water standard. Eighteen months has been allowed, which includes a commissioning period.

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with water supply service (where available)	57%	57%	58%	60%	Improving
	Maximum number of complaints received about water clarity, taste, odour, pressure/flow, continuity of supply or Council's response to reported issues (per 1,000 water supply connections) Number of rated properties: 5,140	Total complaints: 217 Per 1,000 properties: 46	Total complaints: 147	Total complaints: 133	Total complaints: 123	Improving (decreasing complaints)
Council is providing a reliable, efficient, and safe water supply	Maximum number of notifiable water supply transgressions with Drinking Water Standards per year: <ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) Blackball Runanga/Rapahoe* Assumes the Runanga/Rapahoe supply will become or remain a chlorinated supply	<ul style="list-style-type: none"> NIL NIL NIL 	<ul style="list-style-type: none"> Nil Nil NIL 	<ul style="list-style-type: none"> Nil Nil NIL 	<ul style="list-style-type: none"> Nil Nil NIL 	No Change
	Maximum % of real water loss from reticulation system (water loss measured from the reservoirs at least once per year): <ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater)* Blackball* Runanga/Rapahoe* <i>In 2020/2021 Council is installing District Metering Zones for its Schemes. Once these are operational, measured results will be confirmed and established as a basis to establish targets for leakage reduction.</i>	Not measured	<ul style="list-style-type: none"> 25% 5% 15% 	<ul style="list-style-type: none"> 20% 5% 15% 	<ul style="list-style-type: none"> 15% 5% 12% 	Improving (decreasing water loss)
	Drinking water supply compliance with following sections of the drinking water standards:					

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
	Part 4 – bacteria ¹ compliance criteria - <ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) Runanga/Rapahoe* Blackball <i>* Assumes the Runanga/Rapahoe supply will become or remain a chlorinated supply</i>	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	No change
	Part 5 – protozoal compliance criteria - <ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) Runanga/Rapahoe * Blackball <i>* Assumes the Runanga/Rapahoe supply will become or remain a chlorinated supply</i>	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	<ul style="list-style-type: none"> Achieved Achieved Achieved 	No change

¹ Bacteria (eg E.Coli) and protozoa (eg Giardia and Cryptosporidium) are small living organisms (bugs and such like) that are harmful to humans. Bacteria can be removed by chlorine disinfection whereas protozoa cannot and require higher levels of treatment.

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Average consumption of drinking water per day per resident	Figures below are from July 2019 to June 2020					
	Breakdown –					
	<i>Scheme</i>	<i>Litres supplied per year</i>	<i>Population serviced</i>	<i>Consumption</i>		
	Greymouth (includes Dobson/ Taylorville/ Stillwater)	2,407,365,000	8,360	789		
	Runanga/ Rapahoe *	261,063,000	1,090	656		
	Blackball	48,229,000	280	471		
	<i>Totals</i>	<i>2,716,657,000</i>	<i>9,730</i>	<i>639</i>		
	<i>Supply and consumption includes industrial/commercial use</i> <i>Normal resident population ex 2013 Census</i> <i>Consumption expressed as litres per person per day.</i> <i>* Runanga/Rapahoe currently connected to Greymouth scheme.</i>				636 litres per person per day	< 640 litres per person per day < 640 litres per person per day < 550 litres per person per day Improving (decreasing water use)
Our response times to reported faults	Median response times to faults or unplanned interruptions: <i>(Where contaminated sites are discovered or identified through site investigations response times will be longer if consents are required to remove and dispose of material)</i>					
	• Attendance time for urgent call-outs (from notification)				45 minutes	1 hour
	• Resolution time for urgent call-outs (from notification)				1.48 hours	5 hours
	• Attendance time for non-urgent call-out				1.45 days	1.5 working days
	• Resolution time for non-urgent call-outs				2.12 hours	5 working days

Financial information

Activity funding

These activities are funded by:

Rates

- Targeted rates charged to properties connected or able to connect to one of our water schemes
- Water meter charges to connected commercial properties that use greater than 300m³ per annum (300,000 litres)

User charges and other revenue

- Contributions from developers for new sections connecting to schemes

Subsidies and grants

- Subsidies from central government to upgrade schemes to higher standards (where available)

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Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,820	2,600	2,946	2,976	3,081	3,271	3,298	3,421	3,561	3,706	3,820
Subsidies and grants for operating purposes	-	414	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,820	3,014	2,946	2,976	3,081	3,271	3,298	3,421	3,561	3,706	3,820
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,116	1,341	1,327	1,328	1,357	1,386	1,415	1,449	1,489	1,530	1,566
Finance costs	193	231	245	243	241	238	236	233	230	227	224
Internal charges and overheads applied	290	313	321	325	331	338	345	354	362	371	382
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,598	1,885	1,893	1,896	1,929	1,962	1,996	2,036	2,081	2,128	2,172
Surplus (deficit) of operating funding [A - B]	1,222	1,129	1,053	1,080	1,152	1,309	1,302	1,385	1,480	1,578	1,648
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	1,973	4,026	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	922	981	(62)	(70)	(78)	(65)	(70)	(73)	(81)	(87)	(69)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	2,895	5,007	(62)	(70)	(78)	(65)	(70)	(73)	(81)	(87)	(69)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	1,477	213	82	82	82	182	100	100	100	100	100
—to replace existing assets	3,142	6,061	866	885	949	1,019	1,088	1,168	1,255	1,347	1,435
Increase (decrease) in reserves	(502)	(137)	44	44	44	44	44	44	44	44	44
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	4,117	6,136	991	1,010	1,074	1,244	1,232	1,312	1,399	1,491	1,579
Surplus (deficit) of capital funding [C - D]	(1,222)	(1,129)	(1,053)	(1,080)	(1,152)	(1,309)	(1,302)	(1,385)	(1,480)	(1,578)	(1,648)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,820	2,600	2,946	2,976	3,081	3,271	3,298	3,421	3,561	3,706	3,820
Subsidies and grants (operating and capital)	1,973	4,440	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	4,793	7,040	2,946	2,976	3,081	3,271	3,298	3,421	3,561	3,706	3,820
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,116	1,341	1,327	1,328	1,357	1,386	1,415	1,449	1,489	1,530	1,566
Finance costs	193	231	245	243	241	238	236	233	230	227	224
Internal charges and overheads applied	290	313	321	325	331	338	345	354	362	371	382
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	549	549	549	567	567	567	608	608	608	662	662
Total expenditure	2,147	2,434	2,441	2,463	2,496	2,530	2,604	2,644	2,689	2,790	2,834
Surplus (deficit) of activities	2,646	4,606	505	513	585	741	694	777	872	916	986

How we manage our assets that support this activity

Council has an extensive level of information about its Water and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, water quality standards, continuity of supply, response to complaints, and criteria for maintenance, renewals and upgrades. It also details how Council will comply with all relevant legislation and regulatory requirements at all times.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	151	213	82	82	82	82	-	-	-	-	-
	151	213	82	82	82	182	100	100	100	100	100

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Replacement reservoir - Puketahi Street	1,278	2,700	-	-	-	-	-	-	-	-	-
Replacement reservoir - Tasman View		480	-	-	-	-	-	-	-	-	-
Replacement reservoir - Arnotts Heights		520	-	-	-	-	-	-	-	-	-
Replacement reservoir - Cobden		1,096	-	-	-	-	-	-	-	-	-
Additional Intake Bore		250	-	-	-	-	-	-	-	-	-
General renewals of the water supply network	1,864	1,015	866	885	949	1,019	1,088	1,168	1,255	1,347	1,435
	3,142	6,061	866	885	949	1,019	1,088	1,168	1,255	1,347	1,435

Proposed changes to levels of service

Our work programme over the next three years is based on past workloads and set at a level to maintain existing levels of service taking into account projected population growth/decline and other demand factors.

Omoto reservoir is being replaced with five new reservoirs around the District. Once completed, this allows for additional storage capacity and improved resilience.

The next LTP includes the following projects for consideration:

- Extension of Greymouth scheme to Gladstone-Camerons area.
- Install a new link main along State Highway 7, Dobson/Kaiata to increase resilience.

Additional capacity

The AMP contains detailed assessment of anticipated increases in demand. Essentially over the next 30 years there is unlikely to be any anticipated significant increase in demand based on population growth projections. The assumption may be incorrect for instance if there is a commercial venture initiated that does require a significant water supply. However no commercial ventures requiring large water supply requirements from Council have been signalled during the preparation of this Draft Plan.

The next LTP includes the following projects for consideration:

- New reticulated water supply for Moana, depending on future growth.
- Increase capacity of Blackball scheme, depending on future growth/tourism recovery.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP. It assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.

- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset.
- Other sources of funding include:
 - Rates
 - Financial contributions
 - Special Reserve funds
 - User fees
 - Ministry of Health subsidies (if available in the future)

Significant potential negative effects of this activity

- Lack of ability to fund required works and services.
- Increased severity of damage if failure of activity component(s) occurs, e.g. main line breakage.
- Insufficient component/service capacity for adverse events (Drought, Floods, Erosion, Earthquakes, Fuel Spills).
- Insufficient service provision by service providers (poor design and/or work standards).
- Public land/property/space is not available for other uses.

Council's water take remains well within its allocation and is not considered harmful to the water sources. Council also continues to promote the responsible use of water.

Projects associated with the maintenance and renewal of Council's reticulation system require land disturbance but this is managed with a view to reducing any negative impact as far as possible.

Solid waste (refuse and recycling)

Activities included in this group

Waste management involves:

- Refuse collection
- Recovery of recyclable materials
- Management of Landfill and Clean fill and Resource Recovery Centres
- Management of minor quantities of hazardous waste
- Litter Bin management
- Waste minimisation
- Environmental monitoring, also of closed refuse facilities

Litter control is a Regulatory function and is covered under a separate Activity Management Plan.

Why we are involved in this activity/these activities

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable	Efficient and responsible management of solid waste is an integral to providing for a strong and sustainable economy.
Social Wellbeing	
Safe	Efficient and responsible management of solid waste is fundamental to the health and safety of people within the community.
Environment Wellbeing	

OUTCOME	CONTRIBUTION
Practical Resilient Strategic	Effective, strategic, and responsible management of solid waste provides for resiliency of the environment.

What we'll provide

The Solid Waste infrastructure includes:

- McLeans Landfill and McLeans Recycling Centre, providing for:
 - Waste disposal in cells with the current cell expected to have to be closed in approximately 2024.
 - A new cell was constructed in 2018, providing 6-7 years' capacity.
 - Buildings and associated infrastructure for waste recovery and refuse recycling.
- Resource centres providing for limited capacity waste transfer facilities with waste from time to time transferred to McLeans landfill:
 - Moana Resource and Recovery Centre
 - Blackball Resource and Recovery Centre
 - Nelson Creek Resource and Recovery Centre

Council's services provide the following:

- Kerbside recycling for the CBD and urban area of greater Greymouth. It is proposed to replace the current refuse bag collection for the remainder of Greymouth (except for Moana and Te Kinga) with kerbside refuse and recycling collection from year 2.
- Refuse bag collection, handling and disposal on a weekly basis throughout other parts of the District.
- Litter bins.

Council works with other Councils and industry on the West Coast and beyond for the safe collection, storage and disposal of specific classes of solid waste. Council also advocates for owner responsibility for specific classes of solid waste including but not limited to packaging and hazardous waste.

Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Cell 3A has an expected life of 6-7 years (built in 2018). In 2024 Council will need to either provide a new cell at McLeans Landfill or find another solution for dealing with the waste. Council has budgeted for an investigation into suitable options in year 1, with implementation of the preferred solution from year 2.	1. Create a new cell (Cell 3B) at the landfill. Existing resource consents expire in 2032 and will need to be renewed prior to then.	✓		
	2. Choose another solution for dealing with the waste.	✓		
The increased need for waste minimisation.	1. Community and industry education.	✓	✓	✓
	2. Implementation and management of waste recycling initiatives.	✓	✓	✓
	3. Extend the current kerbside recycling collection service to other areas of the District (included from year 2).	✓		
Financial impact of Emissions Trading Scheme (ETS).	1. Providing for the financial impact of the ETS on the landfill in budgets.	✓		
Increasing volume of demolition waste by building owners who choose to demolish their earthquake prone buildings rather than strengthen them.	1. Council obtained consent in 2014/2015 for an alternative demolition site near McLeans Landfill – the cost of this has been included in year 1.	✓		
	2. Allow private sector to provide alternative demolition site options.	✓		
Demand for recyclables is market driven.	1. Adapt recyclable collection according to market demands and other factors.	✓		

Waste Management Plan: With respect to waste management, there are no significant variations from this assessment.

Options for community consultation

As part of the community consultation we'll be undertaking on the Draft Plan, the following is a summary of information will be provided on options for material issues and the implications of each for community feedback. Full details can be found in the Consultation Document.

ISSUE	OPTION	IMPLICATIONS	COST
Extend kerbside refuse and recycling collection: Council currently provides a kerbside refuse and recycling collection to only part of the Grey District, namely greater Greymouth, Blaketown, Cobden, Karoro	1 Extend the area. [preferred option]	<ul style="list-style-type: none"> Complying with the wishes of the community. Will possibly reduce the amount of refuse going into the landfill. Separation of refuse and recycling has a positive effect on the 	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.

<p>and Paroa. Communities outside of these receive a refuse bag collection service. Council have now included in their budgets to extend the service to approximately 2,000 more properties in urban communities (those currently on bag collection).</p> <p>Moana and Te Kinga will remain on a refuse bag collection service as they are on a different collection 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.</p>			<p>environment and preserves it for future generations.</p> <ul style="list-style-type: none"> Potentially lowering the waste disposal levy and ETS costs incurred by Council (refer below). 	It is expected that the service will be operational for the expanded area from year two and the increase in rates will apply then.
	2	Don't extend the area, i.e. status quo.	<ul style="list-style-type: none"> 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. 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. 	No effect on rates or debt.

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 & 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with overall service	80%	82%	85%	90%	Improving
Facilities and services are managed without adversely affecting the receiving environment	Maximum number of resource consent infringements	Nil	Nil	Nil	Nil	No change

Financial information

Activity funding

These activities are funded by:

Targeted Rates

- There is a direct benefit for those properties that can have their waste collected; therefore a targeted rate is struck to cover these costs.

User fees

- Excess users of refuse collection pay additional user fees and those that use facilities direct cover the relevant costs by way of user fees.

General Rates

- There is a district wide benefit to having a compliant facility; therefore other costs are covered by a separate general rate set differentially across the District.

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Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	34	260	257	577	581	513	359	380	403	428	383
Targeted rates	1,400	1,376	1,875	1,913	1,949	1,984	2,020	2,054	2,089	2,125	2,159
Subsidies and grants for operating purposes	48	48	49	50	51	53	54	55	57	59	61
Fees and charges	740	769	802	835	869	885	901	916	932	948	963
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,222	2,453	2,983	3,375	3,450	3,435	3,334	3,405	3,481	3,560	3,566
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,805	2,108	2,590	2,714	2,822	2,875	2,932	2,983	3,038	3,094	3,149
Finance costs	39	35	36	32	77	28	8	6	4	1	-
Internal charges and overheads applied	128	130	133	135	138	140	143	147	150	154	159
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,973	2,273	2,758	2,880	3,036	3,043	3,083	3,135	3,192	3,250	3,307
Surplus (deficit) of operating funding [A - B]	249	180	225	495	414	392	251	270	289	310	259
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	65	65	67	69	70	72	74	76	78	81	83
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(181)	148	1,783	(378)	(407)	(385)	(245)	(264)	(284)	(306)	(255)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(116)	213	1,850	(309)	(337)	(313)	(171)	(188)	(206)	(225)	(172)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	28	348	2,028	28	28	28	28	28	28	28	28
—to replace existing assets	95	35	36	148	39	40	42	43	45	47	48
Increase (decrease) in reserves	10	10	10	10	10	10	10	10	10	10	10
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	133	393	2,075	186	77	79	80	82	83	85	87
Surplus (deficit) of capital funding [C - D]	(249)	(180)	(225)	(495)	(414)	(392)	(251)	(270)	(289)	(310)	(259)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	34	260	257	577	581	513	359	380	403	428	383
Targeted rates (including targeted rates for water supply)	1,400	1,376	1,875	1,913	1,949	1,984	2,020	2,054	2,089	2,125	2,159
Subsidies and grants (operating and capital)	113	113	116	119	121	125	128	131	135	140	144
User charges and regulatory income (consent fees, infringements etc...)	740	769	802	835	869	885	901	916	932	948	963
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	2,287	2,518	3,050	3,444	3,520	3,507	3,408	3,481	3,559	3,641	3,649
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,805	2,108	2,590	2,714	2,822	2,875	2,932	2,983	3,038	3,094	3,149
Finance costs	39	35	36	32	77	28	8	6	4	1	-
Internal charges and overheads applied	128	130	133	135	138	140	143	147	150	154	159
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	159	159	163	166	169	172	175	178	181	184	187
Total expenditure	2,132	2,432	2,921	3,046	3,205	3,215	3,258	3,313	3,373	3,434	3,495
Surplus (deficit) of activities	155	86	129	398	315	292	150	168	186	207	154

How we manage our assets that support this activity

Council has an extensive level of information about its Solid Waste and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as landfill and capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	28	238	2,028	28	28	28	28	28	28	28	28
	28	348	2,028	28	28	28	28	28	28	28	28

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
New landfill cell design and construction and lechate Upgrade		210	2,000	-	-	-	-	-	-	-	-
Cleanfill/Hardfill Demolition Site		110	-	-	-	-	-	-	-	-	-
General renewals	95	(175)	(1,964)	148	39	40	42	43	45	47	48
	95	145	36	148	39	40	42	43	45	47	48

Proposed changes to levels of service

- Expansion of the existing kerbside refuse and recycling collection to communities where this service is not currently provided (except for Moana and Te Kinga) has been included from year 2.
- From year 1 an additional bin will be provided for glass recycling.
- Council will commission a study in year 1 on waste disposal options. Depending on the outcome of that study, there is the potential in year 2 for creation of a new cell or other waste disposal option.
- It is anticipated that recovery of recyclable materials will increase and there will be a corresponding reduction in the amount of general (non-recyclable) refuse that will be required to be collected and deposited at McLeans Landfill. Experience to date is that the successful sale of recyclables is dependent on the market.
- It is proposed to change the type of plastic recyclables accepted. Due to the Government's consultation on product stewardship, International Conventions such as the Basel Convention and the Chinese Sword Policy the collection of plastic containers grades, 1, 2 and 5 only will be collected as recyclables. This means in the yellow topped recycling bins Council's Contractor will collect cardboard, tin and aluminium cans and plastic containers grades 1, 2 and 5 only. Glass bottles will be collected in separate crates.
- Council holds consent for a separate demolition site for disposal of building material (instead of placing the material in existing or new landfill cells at McLeans landfill) and the cost for this is included in year 1.

Additional capacity

The Activity Management Plan (AMP) shows no significant increase in demand based on population growth projections. We do expect a continuing decrease in the volume of waste going into the landfill and this could potentially prolong the life of the existing and future cells.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP. It is assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.
- With the exception of landfill cells (which cannot continue to be used once full), where assets remain in service beyond their useful life they will be regularly assessed as to their condition to ensure they remain safe to use.
- The life of cells at McLeans landfill may be prolonged as waste minimisation initiatives and recycling continues.

Assumptions regarding sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset.
- Other sources of funding include:
 - Rates
 - Financial contributions
 - Special Reserve funds
 - User fees
 - Grants from Waste Levies

Significant potential negative effects of this activity

This may include:

- The impact of the cost of recycling and ETS costs on landfill fees may result in an increase in illegal refuse dumping.
- Discharge of contaminants to land and/or water from the landfill or the closed refuse tips. Competent measures to mitigate this are in place.

Environmental services

Activities included in this group

Environmental services include:

District Planning

- District Plan
- Policy
- Resource Management (land use)
- Monitoring

Building Control

As a **Building Consent Authority (BCA)** Council carries out the following tasks:

- Processes building consent applications
- Grants and issues building consents
- Undertakes building inspections
- Issues Notices to Fix
- Issues Code Compliance Certificates
- Investigation of complaints relating to building work and illegal buildings
- Issues compliance schedules
- Any other functions and duties specified in the Building Act 2004

As a **Territorial Authority (TA)** Council carries out the following tasks:

- Performs functions relating to our Dangerous, Earthquake Prone and Insanitary Buildings Policy
- Administration and audit of building warrants of fitness (BWOFF)
- Investigation of building work related complaints where consents have not been applied for or issued
- Issues project information memorandum (PIM)
- Issues building consent discretionary exemptions under Schedule 1(2)
- Processes and Issues Certificates of Acceptance (CoA)
- Issues and amends compliance schedules
- Decides the extent to which buildings must comply with the building code when they're altered, are subject to a change of use, or their specified intended life changes
- Carries out any other functions and duties specified in the Building Act

Other Regulation

- Council bylaws
- District Plan (including noise), Building Act and freedom camping compliance

Health Regulation

- Inspection and licensing of food premises under the Food Hygiene Regulations 1974 and the Food Act 2004
- Annual registration of offensive trades, camping grounds, hairdressers, funeral directors, mortuaries and mobile shops, together with other duties under the Health Act 1956
- Responding, investigating and reporting on noise complaints and other duties under the Resource Management Act 1991 and the District Plan
- Ensuring appropriate steps are in place to limit the impact of commercial or industrial noise and ensure compliance within the noise provisions of the District Plan
- Inspection of liquor premises (participation in stakeholder compliance visits), licensing of liquor premises, reporting to the Alcohol Regulatory and Licensing Authority (ARLA) and the Grey District Licensing Committee (DLA) and administering new applications or renewals of managers certificates

Emergency Management

- Civil Defence and Emergency Management, including:
 - Developing, implementing and monitoring District-wide emergency management plans.
 - Promoting community preparedness for emergencies.
 - Working with other authorities, both locally and in the Region, to plan for and respond to hazards, risks and emergencies.
 - Mobilising and responding in the event of an emergency.

Dog/Stock Control

- Investigation of complaints about dogs including barking, wandering, menacing and dangerous dogs
- Enforcing legislation and Council's bylaws which govern where dogs are permitted, control of dogs on a leash and fencing of dogs within a property boundary
- Impounding wandering dogs and taking steps to identify the owner of the dog
- Maintaining a register of dogs generally and for those classified as menacing or dangerous
- Responding to wandering stock complaints

Local Government legislation requires that Council, where possible, maintain a clear division between its operational and regulatory functions. Local authorities, as facilitators of development and growth, also have to comply with statutory requirements and administer legislative powers in a fair and objective manner, and avoid conflicts of interest. It is for this reason that these activities are in the same grouping.

Why we are involved in this activity/these activities

Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment.

- The district planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet National legislative requirements. Of particular importance is Council's role in advising on and, where necessary, enforcing the statutory provisions relating to earthquake prone buildings.
- Other regulation activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.
- Health regulation services aim to protect our community from infectious and notifiable diseases by promoting food safety practices in food establishments. This activity also aims to ensure that hairdressing businesses, gaming machines, camping grounds and those selling liquor conform to appropriate standards.
- Emergency Management is in place make sure that our District is prepared for emergencies. The District is not only in a high rainfall area and, therefore subject to flooding, but inundation, cyclones and tornados have in the past caused problems. Most importantly, the District is a high risk earthquake area.

Council subscribes to the principles of "reduce, readiness, response, and recovery" and "get ready – get thru".

- The dog and stock control service aims to provide a safer District by reducing dog-related offences through ensuring the registration of dogs, the education of their owners and the investigation of complaints. In addition, this service seeks to support safer road and rail corridors by responding to complaints about wandering stock and working with landowners

to maintain stock proof fencing. Council undertakes this activity in accordance with its obligations under the Dog Control Act 1996 and Impounding Act 1955.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable	<ul style="list-style-type: none"> • The ongoing provision of District Planning/Resource Management, Regulatory, Compliance, Health and Food Safety and Animal Control provides a platform for a strong and sustainable economy. • The provision of effective emergency preparedness and activated emergency activities ensures the ongoing operation of the economy in times and following emergency situations.
Social Wellbeing	
Safe Enabled	<ul style="list-style-type: none"> • The ongoing provision of District Planning/Resource Management, Regulatory, Compliance, Health and Food Safety and Animal Control provide assurances of safety for all sectors of the community, business, and industry. • The provision of emergency preparedness and activated emergency activities provides for safety of the community, as well as enabling communities to be prepared for these events.
Environment Wellbeing	
Practical Resilient Strategic	The ongoing provision of District Planning/Resource Management, Regulatory, Compliance, Health and Food Safety and Animal Control provide for resiliency and a future focus for our environment.

What we'll provide

District Planning

We will:

- Ensure that the District Plan remains relevant to the community, up to date with legislative requirements and that the community is involved in any proposed plan changes.
- Provide an objective consent processing system that will process your consent within statutory timelines and ensure anyone affected by a resource consent is provided with an opportunity to submit.
- Monitor a range of land use consents and aspects of the District Plan as a means of ensuring compliance and that the Plan remains current.

To deliver this service Council will provide qualified and skilled planning officers, supported by skilled administration staff.

Building Control

We will:

- Continue to provide an efficient building consent processing service as well as ensure buildings are designed and constructed in line with national building Code requirements.
- Ensure that public and relevant commercial buildings have appropriate safety systems.

To deliver this service, Council will not only maintain accreditation as a Building Consent Authority but will provide qualified and skilled building officers supported by skilled administration staff.

Other Regulation

Council will:

- Ensure that its Bylaws and processes in implementing other legislation, such as the Litter Act, remain up to date, fair and deliver what the community want.
- Provide a dedicated compliance resource to ensure breaches of the Freedom Camping Act are actively monitored.
- Provide an after-hours noise control service to ensure that complaints are followed up without undue delay.
- Encourage residents to maintain their property in a way that does not cause nuisance to others.
- Provide an impoundment service for abandoned vehicles.

To deliver this service, Council will provide trained compliance officers and appropriate contractors to respond to complaints.

Health Regulation

We will:

- Ensure that the relevant food, hairdressing and other similar establishments meet the required hygiene and safety standards by inspecting such premises and ensuring they have appropriate safeguards and procedures in place.
- Monitor camping grounds for cleanliness.
- Inspection and licensing of liquor premises and reporting to the Alcohol Regulatory and Licensing Authority (ARLA) and the District Licensing Agency (DLA).

To deliver this service Council will provide qualified environmental health officers and contractors to undertake inspections and respond to complaints.

Emergency Management

Council will:

- Continually educate the community on the need to be prepared for emergencies.
- Maintain a Civil Defence operational capacity to mobilise immediately an emergency comes up in order to limit loss of life and to restore services to normality as soon as possible.
- Keep the community informed of the measures that will become operational during such an emergency.

Dog/Stock Control

We will:

- Ensure that all dogs in the District are registered and therefore traceable.
- Provide a 24- hour response service for reports of dangerous or roaming dogs or stock.
- Maintain a pound to hold dogs and stock.

To deliver this service Council will provide qualified animal control officers as well as a dog and stock pound.

Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Te Tai o Poutini Plan (TTPP or One Plan) – Management of risks from natural hazards and climate change The TTPP will identify areas subject to hazards, undergo community consultation and develop appropriate planning zones. TTPP consultation documents being released in Year 1, submissions and hearings Years 2 and 3, decisions released Year 4, which are subject to appeal to Environment Court. Not able to plan with any certainty for impacts of TTPP changes on infrastructure until Year 3 and may be subject to change in Year 4 or later.	1. Work collaboratively with other Councils during the process of identifying and responding to hazard and climate change risks. See also options above for Climate Change. 2. Monitor progress, assess and recommend infrastructure strategies for activities in the next LTP. 3. Monitor progress on consultation and adoption of the One District Plan and promote funding of infrastructure for urban expansion through private sector investment (subdivision) development and financial contributions.	✓		
The District Plan is a permissive plan and allows for subdivision to be economically viable. An increased number of subdivisions in Rural environments has been noted and it is thought there are still a large number of properties which have great potential for this type of subdivision around the District. <i>Note: This may change with the TTPP.</i>	1. Council will actively monitor the situation.	✓		
New or changing legislation and policies from central government continually shape many of the functions within the Environmental Services activities.	1. Make changes to policies, the District Plan and bylaws as required.	✓	✓	✓
	2. Assess levels of service as required.	✓	✓	✓
The requirement for commercial and public buildings throughout the District to comply with existing and any new legislation arising from the Canterbury earthquakes.	1. Council is actively monitoring the situation.	✓	✓	
	2. Make changes to policies and bylaws as required to comply with new legislation on earthquake prone buildings.			
Amenity management issues.	1. Council needs to have appropriate regulations and procedures in place	✓		
The requirement for specialist skills in areas such as planning, building and compliance to competently fulfill the tasks of this group of activities.	1. Council needs to adequately manage its retention and recruitment of technical staff.	✓	✓	✓
Climate change may require greater compliance activities for the Building Consenting Authority.	1. Council will monitor the situation and response to necessary changes as required.	✓	✓	✓

Emergency Management

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The on-going risk posed by extreme natural events, i.e. a major earthquake, flooding, rock falls, wild fires, land slips, other inundation, cyclones, tornados and tsunamis.	1. Maintain community and operational preparedness.	✓	✓	✓
	2. Ensure buildings identified for use during emergencies are structurally and otherwise capable of withstanding emergencies.	✓	✓	✓
Community apathy during periods of low emergency risk.	1. Continuing community education	✓	✓	✓

How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Council is efficiently processing information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	94%	100%	100%	100%	No change
	% of non-notified land use consents processed within 20 working days	89%	100%	100%	100%	No change
	% of building consent applications issued with statutory time limits	99%	100%	100%	100%	No change
	% of Code of Compliance Certificates issued with statutory time limits	99.6%	100%	100%	100%	No change
	% of building inspection undertaken at agreed times	100%	95%	95%	95%	No change
We are ensuring that buildings within the District are safe and meet national quality standards	Grey District Council maintains accreditation as a building consent authority	Achieved	Achieved	Achieved	Achieved	No change
We are responding to service requests in a timely manner	% of after-hours noise complaints responded to within two hours	98%	98%	98%	98%	No change
	% of after-hours animal control complaints responded to within two hours	100%	100%	100%	100%	No change
	% of complaints about breaches of bylaws and District Plan rules are responded to within five working days	100%	100%	100%	100%	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Our District Plan is effective in developing and maintaining sustainable development and a satisfactory environment	% of residents satisfied with Council's regulation of land use throughout the District	40%	60%	60%	60%	No change

Financial information

Activity funding

These activities are funded by:

User fees

- The majority of benefit for the costs of consent processing goes to the applicant and this is reflected in user fees.
- Enforcement is recovered by those creating the demand wherever practical.

General rates

- Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates.
- Having an available service (e.g. for enforcement, animal control) has a general benefit District wide so the balance of activity costs are funded from general rates.
- There is a District wide benefit to having a managed emergency management service; therefore other costs are covered by a general rate.

Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,055	1,552	1,658	1,613	1,695	1,813	2,006	2,047	2,135	2,149	2,269
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	110	-	-	-	-	-	-	-	-	-
Fees and charges	1,111	936	949	989	986	1,004	1,044	1,040	1,057	1,098	1,093
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	120	302	313	314	321	83	84	85	87	88	90
Total operating funding [A]	2,286	2,900	2,920	2,916	3,002	2,900	3,134	3,172	3,279	3,335	3,452
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	457	738	739	736	741	508	524	526	537	549	554
Finance costs	-	5	5	5	5	22	22	22	22	21	21
Internal charges and overheads applied	1,811	2,028	2,132	2,162	2,203	2,117	2,291	2,342	2,392	2,450	2,512
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	2,269	2,771	2,877	2,903	2,949	2,647	2,837	2,890	2,951	3,021	3,087
Surplus (deficit) of operating funding [A - B]	17	129	43	13	53	253	297	282	328	314	365
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	30	30	31	31	32	32	33	34	34	35	35
Increase (decrease) in debt	-	5	5	5	495	10	11	11	11	12	12
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	30	35	36	36	527	42	44	45	45	47	47
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	132	33	34	534	35	35	36	37	37	38
—to replace existing assets	21	6	6	6	16	6	7	7	7	7	7
Increase (decrease) in reserves	26	26	41	11	41	246	289	274	320	306	354
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	47	164	80	51	591	287	331	317	364	350	399
Surplus (deficit) of capital funding [C - D]	(17)	(129)	(44)	(15)	(64)	(245)	(287)	(272)	(319)	(303)	(352)
Funding balance: [A - B] + [C - D]	-	-	(0)	(1)	(11)	8	9	10	10	11	13

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	1,055	1,552	1,658	1,613	1,695	1,813	2,006	2,047	2,135	2,149	2,269
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	110	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	1,111	936	949	989	986	1,004	1,044	1,040	1,057	1,098	1,093
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	150	332	344	345	353	115	117	119	121	123	125
Total income	2,316	2,930	2,951	2,947	3,034	2,932	3,167	3,206	3,313	3,370	3,487
EXPENDITURE											
Staff costs	26	26	27	27	28	28	29	29	30	30	31
Operating & maintenance costs	431	712	712	709	713	480	495	497	507	519	523
Finance costs	-	5	5	5	5	22	22	22	22	21	21
Internal charges and overheads applied	1,811	2,028	2,132	2,162	2,203	2,117	2,291	2,342	2,392	2,450	2,512
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3	8	8	8	8	8	8	8	8	8	8
Total expenditure	2,272	2,778	2,884	2,911	2,957	2,655	2,845	2,898	2,959	3,029	3,095
Surplus (deficit) of activities	44	152	67	36	77	277	322	308	354	341	392

How we manage our assets that support this activity

Being regulatory in nature, this activity has few capital assets and only those that support the delivery of the regulatory functions described above.

Civil Defence assets relate mostly to communication equipment, with the focus being on using existing fixed assets capable of being used during emergencies as well as existing, conventional communication and information systems as far as possible.

Such assets are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from wardens and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
New Animal Pound Facility	-	-	-	-	500	-	-	-	-	-	-
Miscellaneous new capital	132	132	33	34	34	35	35	36	37	37	38
	132	132	33	34	34	35	35	36	37	37	38

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle replacements	-	-	-	-	-	-	-	-	-	-	-
General renewals	21	6	6	6	16	6	7	7	7	7	7
	21	6	6	6	16	6	7	7	7	7	7

Proposed changes to levels of service

There are no proposed changes to existing levels of service over the life of this plan. However it needs to be noted that new or changing legislation and policies from central government continually shape many of the functions within the Environmental Services activities which may have an impact on future levels of service.

Additional capacity

None are specifically provided for during the life of this Draft Plan.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives.

Assumptions regarding sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from:
 - Rates
 - Special Reserve funds

Significant potential negative effects of this activity

- The dog pound and play areas may, from time to time, be a source of irritation in the form of noise as a result of barking and destruction of animals. After hour response to dog and stock complaints may also involve minor negative impacts.
- Local government regulatory functions are subject to change and central government has strongly voiced a desire to review legislation in order to ensure that it supports the country's economic development focus. The Productivity Commission has released a report which highlights the opportunities that exist within the regulatory arena to streamline areas of central and local government processes.
- Review of the Resource Management Act 1991, Earthquake Prone Building Policy and a focus on Risk based consenting (Buildings) are all projects that the Government are supporting and finalising.
- Any and all changes by central government to legislation that is administered by Council may have an impact on service delivery targets and the ability of Council to adequately resource this service.
- Emergency equipment such as sirens may create temporary noise effects. Emergency management response and recovery activities may also have temporary adverse effects on the community and environment while social systems are being rebuilt following an emergency event.

Commercial & Property

Activities included in this group

Greymouth Aerodrome

- The aerodrome, including the runway, taxi area, grass runway for use by micro light aircraft as well as navigation lights.
- The Greymouth Aero Club as service provider to incoming and departing aircraft.
- Management of the land portfolio in the form of land leases and rights to occupy.

Parking

- The provision of parking.
- Regulating the use of parking.

Port of Greymouth

Managing the port, the breakwaters, wharves and the slipway.

- Managing the navigation safety function.
- Managing the land holding portfolio.

Council property (commercial)

- A land leasehold portfolio consisting of 50 residential leases and 35 commercial leases.

Council property (operational)

- A building portfolio involving three leased buildings and the buildings supporting Council's administrative function (Tainui St and Runanga service centre).
- Other buildings enabling the delivery of community services, e.g. Westland Recreation Centre, Grey District Library History House museum, Women's Centre and Left Bank Art Gallery.
- Unused Council land consisting of various titles across the District.
- Management of leases with Mawhera Incorporating regarding land leased by Council.

Retirement Housing

- Maintaining and managing occupation of 118 units.
- Pro-active provision of further retirement housing units.

Why we are involved in this activity/these activities

Council provides these services as part of a much wider array of services aimed at improving the health, safety, enjoyment and connectedness of our community. Each component contributes as follows:

- The aerodrome is an important strategic asset. It not only provides the opportunity for use by smaller commercial and private aircraft but also provides a convenient transport option for Grey Base Hospital for the transfer of patients and staff as well for emergency air rescue services. In addition it is an important training venue for related activities and defensive driver training. St John's Ambulance and Land Search & Rescue both have headquarters located on the aerodrome site.
- The Parking function is an integral component of a vibrant and growing CBD and important access to other key services in the District. It provides for safety and convenient access to commercial, educational and service industries and venues.
- The ownership of the Port was transferred to Council as part of the 1989 Local Government Reorganisation. Port of Greymouth is an important fishing asset as it is located closest to the lucrative Hokitika Trench fishing grounds. It provides safe berthage to a local and, from time to time, visiting fishing fleet as well. It is home to the fish handling and processing activities of two firms.
- Council is committed to managing its commercial property portfolio responsibly so as to maximise revenue for the benefit of all residents.
- Council provides retirement housing for disadvantaged, elderly persons to give them warm, safe and affordable accommodation.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Sustainable Prosperous	The management and operation of Council's commercial property, including the Port and Aerodrome, are essential to enable the district to have a strong economy. The management and maintenance of parking facilities provide benefit in providing for a strong and sustainable local economy.
Social Wellbeing	
Safe Connected Enabled	The management and operation of Council's commercial property, including the Port and Housing is integral for connection outside of the district for safety and enablement of local and regional economy. The management, maintenance and provision of safe parking facilities assist with community enablement and safety.
Environment Wellbeing	
Resilient	The management and operation of Council's commercial property, including the Port and Aerodrome assist the district's resiliency under several scenarios.

What we'll provide

Greymouth Aerodrome

We will:

- Manage and maintain all aspects of the aerodrome so they are safe and convenient to use.
- Manage the aerodrome land portfolio responsibly and to maximise fair revenue for the activity.
- Maintain Lifelines functions.

Parking

We will:

- Manage and maintain safe and convenient parking in line with public requirements, special needs and available budgets.
- Pro-actively identify needs for new parking and respond to it.
- Through education and regulation ensure that available parking can be used productively.

Port of Greymouth

Council will provide a Port service on a minimalistic basis with its main focus being on maintaining practicable Navigation Safety. As part of this, Council will, amongst others:

- Maintain a Slipway for vessels, allowing for limited, non-polluting activities.
- Maintain a cargo on and offloading facility along Richmond Quay on the basis that the users will be responsible for securing associated Resource Consents and certification as necessary.
- Provide berthing facilities for fishing vessels.
- Manage the Port land holding with a view to maximizing revenue for the Port through land sales or land leases in line with agreed leases.

Council property (commercial)

We will:

- Manage Council's property portfolio responsibly and prudently to maximise revenue and occupation for the benefit of all residents.

Council property (operational)

We will:

- Manage Council's operational property portfolio responsibly and prudently to provide administrative and community services for the benefit of all residents.

Retirement Housing

We will:

- Continue to provide comfortable and affordable retirement housing.
- Maintain a 24 hour 0800 number to be used by tenants in the event of breakages or other urgent need relating to the housing.
- Maintain a fair and transparent system of access to retirement housing
- Review the need for further retirement housing on an annual basis.
- Work with other retirement housing providers, e.g. Abbeyfield, to ensure optimum efficiency

Issues and options facing the activity

Airport

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Maintenance and growing the use of the aerodrome, including promotion as a location for related service industries and recreational air activities.	1. Council will maintain the aerodrome to the best of its ability within existing budgets in consultation with the community.	✓	✓	✓
	2. Council will promote the use of the aerodrome to different user groups.	✓	✓	✓
	3. Utilise accurate recording systems to efficiently fees from aerodrome users.	✓	✓	✓
	4. Reseal of the runway is planned for year 1.	✓		
Promotion of the aerodrome as a viable air passenger transport option and/or tourism air charter flights.	1. Council will promote the use of the aerodrome to different user groups.	✓		
Increasing Civil Aviation Authority (CAA) compliance costs for the aerodrome. Security may need to be enhanced if CAA requirements increase, however this may only be needed if a commercial air passenger service is reinstated.	1. Council will actively monitor the situation.	✓		

Port of Greymouth

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Financial sustainability of the Port. In spite of the fact that Council has been committing rates to assist the Port account in previous years, the annual shortfall remains substantial.	1. Council will continue to input rates to this activity on an increasing basis. By year 9, there will be no new operational debt. By year 10 all operational debt will be repaid and the activity will be fully funded by rates and user fees. 2. Continue to collect money from people benefitting from the service such as user fees and industry contribution.	✓	✓	✓
Proposed health and safety reforms place a greater emphasis on Council's duty of care/responsibility to avoid risk of harm to staff, users and visitors. The bar is known to be dangerous and Council as a "Person Conducting a Business or Undertaking" (PCBU) will have to be seen to introduce controls that will make movement over the bar as safe as possible.	1. A comprehensive Port Safety Plan will be developed in consultation with users and the general public. 2. Consider the appointment of a Harbourmaster in the future.	✓	✓	✓
Deferred maintenance over many years represents a potentially significant expenditure in spite of the privatisation focus.	1. Council will implement solutions as finances allow and several upgrades have been allowed for in this Plan.	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy for additional information on this activity.

Parking

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Ensuring users park in consideration to other users and adhere to special needs parking.	1. Continued education of users.	✓	✓	✓
	2. Providing a parking warden service to ensure rules are complied with.	✓	✓	✓
Having sufficient land available to maintain existing parking and increase capacity as needed.	1. Council will actively monitor the situation.	✓	✓	✓

Retirement housing

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Maintaining a viable applicant waiting list for Council's retirement housing units.	1. Council will apply the criteria to applicants as set out in the Retirement Housing Policy.	✓	✓	✓

How we'll measure our performance

Parking

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with the availability of public parking	67%	67%	70%	75%	Improving

Retirement Housing

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
An affordable, well maintained and efficient retirement housing service is provided	Achievement of minimum percentage of occupancy rates	96%	95%	95%	95%	No change
Customer satisfaction	% tenants satisfied with the service (annual survey of tenants)	Not measured	90%	90%	90%	No change

Financial information

Activity funding

These activities are mainly funded by:

User fees

- Regulation/enforcement costs are recovered from parking fines.
- Recovery from users of port facilities to be maximised.
- Landing fees recovered from actual users at market competitive rates.
- Occupiers of commercial Council property to meet fair market rentals.
- Whilst retirement housing is provided at below market rents, there is an expectation the activity will require no direct rates input.

General rates

- General benefit available District wide by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.
- General rates input into Port activity.
- The aerodrome is an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit.

Internal overheads recovered

- The cost of providing property for Council's administration is recovered from the external activities delivered.

Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	492	498	500	506	729	696	1,167	626	635	1,788	5,111
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,000	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,264	1,311	1,354	1,406	1,455	1,498	1,537	1,576	1,627	1,668	1,721
Internal charges and overheads recovered	438	420	591	617	636	259	656	666	677	688	700
Local authorities fuel tax, fines, infringement fees, & other receipts	62	67	68	69	71	72	73	74	76	77	78
Total operating funding [A]	6,256	2,296	2,513	2,598	2,891	2,525	3,433	2,942	3,015	4,221	7,610
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	5,471	1,652	1,695	1,719	1,735	1,743	1,794	1,803	1,834	1,880	1,898
Finance costs	140	148	275	297	314	340	352	346	352	357	324
Internal charges and overheads applied	487	551	567	576	591	582	614	631	642	658	678
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	6,097	2,351	2,537	2,592	2,641	2,665	2,759	2,780	2,827	2,895	2,900
Surplus (deficit) of operating funding [A - B]	159	(55)	(24)	6	250	(140)	674	162	188	1,326	4,710
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	2,000	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,072	764	700	406	196	290	(226)	121	108	(1,023)	(4,412)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	1,072	2,764	700	406	196	290	(226)	121	108	(1,023)	(4,412)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	30	415	250	100	-	-	-	-	-	-	-
—to replace existing assets	1,054	2,639	583	309	428	517	443	264	275	296	277
Increase (decrease) in reserves	147	(346)	(156)	3	19	(367)	4	19	20	4	20
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	1,231	2,708	677	412	447	150	447	283	295	300	297
Surplus (deficit) of capital funding [C - D]	(159)	56	23	(6)	(251)	140	(673)	(162)	(187)	(1,323)	(4,709)
Funding balance: [A - B] + [C - D]	-	1	(1)	0	(1)	(0)	1	0	1	3	1

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	492	498	500	506	729	696	1,167	626	635	1,788	5,111
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	4,000	2,000	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	1,264	1,311	1,354	1,406	1,455	1,498	1,537	1,576	1,627	1,668	1,721
Internal charges and overheads recovered	438	420	591	617	636	259	656	666	677	688	700
Other income	117	78	163	70	74	173	90	60	166	84	61
Total income	6,311	4,307	2,608	2,599	2,894	2,626	3,450	2,928	3,105	4,228	7,593
EXPENDITURE											
Staff costs	248	26	27	27	28	28	29	29	30	30	31
Operating & maintenance costs	5,223	1,626	1,668	1,692	1,707	1,715	1,765	1,774	1,804	1,850	1,867
Finance costs	140	148	275	297	314	340	352	346	352	357	324
Internal charges and overheads applied	487	551	567	576	591	582	614	631	642	658	678
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	593	593	596	609	612	615	650	652	655	690	693
Total expenditure	6,690	2,943	3,132	3,201	3,253	3,280	3,409	3,432	3,482	3,585	3,592
Surplus (deficit) of activities	(379)	1,364	(524)	(602)	(359)	(654)	41	(504)	(377)	643	4,001

How we manage our assets that support this activity

Council has an extensive level of information about assets (including buildings) in the Activity Management Plans (AMPs). The AMPs also contain detailed service level information such as capacity, response to complaints and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

The ability to maintain Port assets is severely constrained by the current funding deficit of the activity, which is proposed to be addressed over the life of this plan.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Customer Services Hub/Security		400	100	100	-	-	-	-	-	-	-
Miscellaneous new capital	30	415	250	100	-	-	-	-	-	-	-
	30	415	250	100	-	-	-	-	-	-	-

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Slipway Renewal		2,000	-	-	-	-	-	-	-	-	-
Breakwater Renewal - Rock Wall and Wave traps	-	100	51	104	-	300	-	-	-	-	-
Aerodrome - runway reseal	-	309	-	-	-	-	-	-	-	-	-
Aerodrome - runway light replacement	-	-	-	-	220	-	220	-	-	-	-
General renewals	1,054	230	532	205	208	217	223	264	275	296	277
	1,054	2,639	583	309	428	517	443	264	275	296	277

Proposed increase in levels of service

Increase to the slipway and Port facilities available to vessels to allow for economic opportunities around the Port function.

For other activities, none signalled in this Draft Plan.

Additional capacity

None specifically provided for in the Draft Plan, beyond providing for future growth when replacing assets.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard per the AMPs for the duration of their useful lives. Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.
- Assumptions regarding sources of funding for replacement of assets are:
- Asset renewals will primarily be funded from loans funded over the expected life of the asset.
- Other sources of funding include:
 - Rates
 - Special Reserve funds
 - Land lease rentals
 - User charges
 - Fines

Assumptions regarding specific assets are as follows.

Port

Port as a whole

- Council will, in consultation with the fishing industry, implement measures to address the financial sustainability of the Port as soon as affordable. This will provide for the maintenance of assets.

Navigation safety:

- The beacons, with normal maintenance, will be functional into the future for at least 30 years. It is assumed that legal compliance requirements for such facilities will remain unchanged into the future.
- The blue warning was replaced in 2015/16 and will have a life of 15 years.
- The lagoon will be dredged to a depth of 3m.

Berths in the lagoon:

- The smaller vessels in the industry will likely be phased out over the next 15 years and the need will be for longer, deep water berthage alongside the eastern embankment.
- Council will, if funding is available, undertake significant maintenance of the Packers Quay berths as part of the Provincial Growth Funding allocated to council in 2019/2020.

Land held

- Residential: The current arrangement whereby the land is leased in line with lease agreements will continue. Freeholding will continue to be encouraged.
- Commercial: The current arrangement whereby land is leased per lease agreements will continue. Further freeholding/sale will take place.
- Other land held: Non-strategic land will be sold where possible

Port management

- The potentially significant impact of the proposed Health and Safety at Work Act will likely result in a Harbourmaster be appointed in the future.

Significant potential negative effects of this activity

Greymouth Aerodrome

- The major impact is noise associated with aircraft landing and taking off.
- There is, to a minor degree, an issue with fumes.

Parking

Nil

Greymouth Port

Environmental effects:

- Noise: It is a 24 hour operation and there is a potential of noise especially at night.
- Odours: The smell of fish is generally prevalent.
- Water Pollution: There is an ongoing risk of oil spills and various other forms of water pollution.
- Risk to life: The bar is known to be unpredictable, if not dangerous.
- Emissions to air. The cargo activity (fertilizer and gravel) has the ability to create dust. However it will be managed in terms of the RMA.
- Financial: The Port is capital intensive well beyond what user fees can pay for. It will require significant rates and industry input for a long time.

Council property (commercial)

- There is the potential that Council land holdings may, from time to time, become untidy (e.g. grass overgrown). Council is committed to avoid this from happening in built-up areas.
- Buildings that remain earthquake prone may create a disincentive for their occupancy and use.

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Community & Recreation

Activities included in this group

Community facilities include:

Libraries

- Greymouth Library
- Runanga Library

Swimming Pools

- Westland Recreation Centre
- Spring Creek Pool, Runanga

Heritage, Arts & Culture

- Museum operations
- Financial support to other Arts, Culture and Heritage bodies

Indoor Sport Centres

- Westland Recreation Centre

Cemeteries

- Karoro Cemetery
- Gladstone Cemetery
- Stillwater Cemetery
- Barrytown Cemetery
- Blackball Cemetery
- Ahaura Cemetery
- Nelson Creek Cemetery (Ngahere)
- Moonlight Cemetery (not maintained)
- Maori Gully
- Cobden Cemetery
- Greenstone Cemetery
- Dunganville Cemetery (not maintained)
- Notown Cemetery
- Napoleon's Hill Cemetery (not maintained)
- Interment (burial) services
- Application and pre-purchase of burial plots
- Cemetery records

Parks and Tracks

- Parks
- Playgrounds
- Walking tracks
- Other open areas accessible to the public
- Statues and monuments

Public restrooms

- Ten public toilets, some with other facilities

Council's In-house task force

Why we are involved in this activity/these activities

It is a requirement for any community to have access to a wide range of services that makes living in that area and visiting that area attractive and enjoyable. It is often described as services and activities that make any community whole. These services often define a community and give the community identity and a sense of belonging.

Services can be in the form of active and passive recreation and enjoyment.

Facilities offered by Grey District Council are critical services that ensure the wellbeing of our communities and answer the needs of society. Whether those needs be economic, social, environmental, emotional or physical, our facilities are where people can feed their imaginations, rebuild their lives, find direction, upskill themselves, and put the theory of growth, understanding and tolerance into practice.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Diverse Sustainable Prosperous	<p>The provision and effective management of recreational and sports facilities, along with the Library and Museum Services contributes to a strong, sustainable, prosperous and diverse economy.</p> <p>The provision and effective management of retirement housing assists with a strong, sustainable, and diverse economy.</p> <p>The provision, strategic management, and maintenance of public toilet facilities for the community and visitors assists with a strong, prosperous and sustainable economy.</p> <p>The enablement of arts facilities assists with a diverse and strong economy.</p> <p>The management and maintenance of parks, reserves and cemeteries assists with a sustainable and strong economy.</p>
Social Wellbeing	
Safe Inclusive Connected Enabled	<p>The provision and effective management of recreational and sports facilities, along with the Library and Museum Services makes for an inclusive, connected, safe and enabled community.</p> <p>The provision and effective management of retirement housing enables a safe, enabled and connected community.</p> <p>The provision, management, and maintenance of public toilet facilities for community and visitors assists with safety in the community.</p> <p>The enablement of arts facilities assists in an inclusive, enabled and connected community.</p> <p>The provision and maintenance of parks, reserves and cemeteries provides a safe, connected, and enabled community.</p>
Connected	Well maintained roading network, footpaths, cycle lanes and cycle paths for connection to activities, businesses, communities and industry.
Cultural Wellbeing	
Proud Unique Inter-connected Vibrant	<p>The provision and effective management of recreational and sports facilities, along with the Library and Museum Services contributes to a proud, unique, inter-connected and vibrant culture.</p> <p>The enablement of arts facilities assists in and proud, unique and vibrant culture.</p> <p>The provision and maintenance of parks and reserves provide a unique and vibrant culture.</p>
Environment Wellbeing	

OUTCOME	CONTRIBUTION
Practical Resilient Strategic	The effective and strategic management of parks, reserves and cemeteries contributes to resiliency in the environment.

What we'll provide

Libraries

We will:

- Encourage a reading culture as reading underpins all the skills needed to enable New Zealanders to make better lives for themselves, their whānau, and their communities;
- Provide collections that entice, inspire and inform;
- Deliver literacies for a twenty-first century world including information, digital, oral and visual literacies;
- Promote community connectedness with appropriate activities and programmes that cultivate a sense of belonging;
- Contribute to a thriving community hub as an 'anchor' facility within the Greymouth CBD.

Swimming Pools

We will:

- Continue to provide access to the Westland Recreation Centre pools and facilities on a seven days per week basis throughout the year (with closure on some statutory holidays only and for necessary maintenance from time to time).
- Continue to provide events, facilities and programmes which meet the needs of our community and enhance their health and wellbeing.

Heritage, Arts and Culture

Council takes an interest in making sure that other arts and culture facilities are sustainable and does this through advocacy, co-operation and financial support where possible. Council provides financial grants to organisations arts and culture facilities and does so through the Grey District Council Contestable Fund. The Contestable Fund uses the Council's Vision and Outcomes as criteria that is applied to the funding. Council also provides financial support to the West Coast Society of the Arts and the Regent Theatre.

We will:

- Safeguard our memories by collecting documents, ephemera, objects and images that tell the stories of the Grey District.
- Make our resources available to researchers and visitors through well catalogued and accessible collections and resources.

- Tell our stories through engaging exhibitions and displays.
- Maintain financial and other support for other bodies and institutions active in the field of Arts, Culture and Heritage.

Indoor Sport Facilities

We will:

- Continue to develop the Westland Recreation Centre, as part of a Recreational Hub, as a high quality facility and will, in the process, seek to maximise efficiencies by optimising cooperation with other sporting bodies that form part of the hub.
- Provide access to the Westland Recreation Centre on a seven days per week basis throughout the year (with closure on some statutory holidays only and for necessary maintenance from time to time).
- Continue to provide events, facilities and programmes which meet the needs of our community and enhance their health and wellbeing.

Cemeteries

We will:

- Maintain all cemeteries (open and closed) to a standard that respects those buried there. The exception is Moonlight, Dunganville and Napoleon's Hill Cemeteries which are historic cemeteries and do not require the same level of maintenance.
- Provide all associated services professionally.

Parks and Tracks

We will:

- Maintain parks, tracks and associated facilities to a good standard.

In House Task Force

We will:

- Continue to provide handyman services to Council activities.
- Continue to provide garden maintenance services to Council properties around the District.

Public Restrooms

We will:

- Maintain accessibility to facilities throughout the year.
- Maintain the services to a good, functional and hygienic standard.
- Upgrade/provide new facilities on a prioritised basis and dependent on available funding/subsidies.

Issues and options facing the activities

Libraries

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Challenges in providing a contemporary, modern library service.	<ol style="list-style-type: none"> 1. Implement RFID (radio-frequency identification) technology which would enable borrowers to check out and check in their own materials (included for year 1). 2. Explore opportunities to incorporate a small meeting room within the current library building (included for year 1). 	✓		
Current library building is too small to meet the modern day requirements of a public library.	<ol style="list-style-type: none"> 1. Plan for a new library building possibly incorporating Museum display and storage areas. 	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Library staff have new demands placed upon them, requiring them to rapidly acquire new skills, particularly in delivering services online in an informative and engaging way.	<ol style="list-style-type: none"> 1. Create opportunities for Library staff to increase knowledge of an skill in digital tools, apps, devices, content sources, getting the best from search engines and discovery tools. 2. Utilise the three National Library of New Zealand funded librarians to share the delivery of training and support. 	✓		
Increasing demand on library services and support to assist those in the community who are not connected online, do not use a mobile phone, or have limited internet connectivity.	<ol style="list-style-type: none"> 1. Continue membership of APNK to provide free access to computers, the internet and wifi. 2. Install refreshed APNK equipment in 2021 3. In partnership with the Digital Inclusion Alliance Aotearoa, continue to provide free modems for households who cannot afford broadband. 4. Extend the range and frequency of free digital literacy training classes. 	✓		
In times of disaster or economic hardship, libraries experience increased demands for services.	<ol style="list-style-type: none"> 1. Retain a flexible approach to collection budgets so we can increase purchase of eContent during lockdown periods. 2. Increase the number of staff with Council-supplied mobile devices and mobile phones to increase working from home abilities. 	✓		

Swimming Pools

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Continuous improvement on efficiency and quality of service delivery.	<ol style="list-style-type: none"> 1. Staff training in customer service. 2. Recruitment, retention and management of qualified staff. 	✓	✓	✓
Deterioration of assets not being maintained.	<ol style="list-style-type: none"> 1. Ensure budgets allow for preventative maintenance. 	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy for additional information on this activity.

Heritage, Arts & Culture

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
History House Museum building in Gresson Street has been closed since March 2017 due to a seismic assessment. Visitors cannot access the collection or view displays or exhibitions.	<ol style="list-style-type: none"> 1. Plan for a new building, possibly to be shared with library services. 2. Planning is underway for a pop-up exhibition at 8 Mackay Street, part of the Regent Theatre structure. This will operate until at least June 2023 when the lease ends. The lease has the opportunity to be renewed. 	✓		
History House Collection storage, care and management.	<ol style="list-style-type: none"> 1. Continue the assessment of the HHM collection, identifying material that tells the stories of the Grey District, and material which can be returned to donors or offered to more relevant museums. 2. Initiate a project to deaccession and dispose of material no longer relevant to the collection. 3. With advise and support from Te Papa Museum Development Advisors, identify and implement appropriate storage environments 4. Relocate archival and photographic material as appropriate to storage space at the pop-up exhibition site 	✓		
Create and operate an engaging Museum exhibition at the pop-up site, 8 Mackay Street, with a schedule of displays	<ol style="list-style-type: none"> 1. Open an exhibition at the pop-up Museum site, 8 Mackay Street 2. Develop a schedule of displays and exhibitions for the Mackay Street site 3. Establish appropriate storage space for part of the Museum collection at the Mackay Street site 	✓		
Explore opportunities to move more local stories online	<ol style="list-style-type: none"> 1. Utilise new equipment to digitise more local heritage content 2. Identify collaborative partners to achieve improved access and economies of scale 	✓		

Westland Recreation Centre

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Westland Recreation Centre unable to deliver programmes due to limited access to qualified professionals.	<ol style="list-style-type: none"> 1. Recruitment, retention and management of qualified staff by offering mentoring and strong leadership from supervisors. 	✓	✓	✓

Cemeteries

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Karoro Cemetery, Nelson Creek Cemetery, Stillwater Cemetery and possibly Blackball Cemetery will reach full capacity (other than pre-paid plots and armed forces plots where applicable) during the life of this plan and will be closed. This will leave Gladstone Memorial Park Cemetery as the District Cemetery. This cemetery has capacity sufficient for the life of this plan and beyond - based on projected levels of interment, it is predicted to reach full capacity around the year 2100.	<ol style="list-style-type: none"> 1. Council will endeavour to maximise the capacity of existing cemeteries to ensure they remain open for as long as possible. 2. Council will continue to develop Gladstone Memorial Park into a District Cemetery and to close existing decentralised cemeteries as they become fully occupied. 3. Where cemeteries have reached capacity, Council will consider designating the closed cemetery as an Archaeological site. 4. Before year 2100 a new burial site will be made operational for the District, including gaining all necessary consents (based on the assumption is burials in the ground will still be an available option or a preferred choice in the future). 	✓		
An ageing demographic has been identified and it is likely that the number of deaths will increase into the future. This trend currently is more prevalent in metropolitan centers but may also occur in provincial areas such as the Grey District.	<ol style="list-style-type: none"> 1. The combined capacity of the remaining operative cemeteries is more than sufficient to meet likely needs. 2. There is also the potential for an increasing trend in cremations rather than burials. 	✓		

Parks and Tracks

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Interest in creating new walking and cycling tracks.	<ol style="list-style-type: none"> 1. Council will consult on interest in new facilities in conjunction with the overall review of existing parks and tracks. 	✓		

In-House Task Force

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The demand on this service is increasing, forcing us to prioritise tasks and requests. This may impact on coverage into the future.	<ol style="list-style-type: none"> 1. Council is closely monitoring the situation. 	✓		

Public Restrooms

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Demand from the public. Several new facilities have been built in recent years. Future demand will be monitored and a business case put together if it is believed the need for more facilities arises.	1. Council is closely monitoring the situation. 2. Apply to Government's Tourism Infrastructure Fund for financial assistance towards new facilities, noting a 50:50 (flexible) contribution is required by Council and ongoing maintenance costs will be incurred.	✓	✓	✓

Options for community consultation

As part of the community consultation we'll be undertaking on the Draft Plan, the following is a summary of information will be provided on options for material issues and the implications of each for community feedback. Full details can be found in the Consultation Document.

ISSUE	OPTION	IMPLICATIONS	COST
New library: 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. It is planned for this project to start from year 5.	1 A new purpose built library on freehold land. [preferred option]	<ul style="list-style-type: none"> Modern, energy efficient and cost effective building. Meeting rooms for hire (a potential additional income source). Freehold site. Meets the community's needs. 	Cost is approximately \$14 million (to cover land purchase, design, construction and fitout). Council will borrow approx. \$4.2 million, with the balance to come from general rates (covered within existing forecast rates rises). Anticipated debt will be repaid by end of year 9. First stage of project estimated to start in year 5.
	2 Don't proceed with building a new library, i.e. status quo.	<ul style="list-style-type: none"> Current building outdated and not suited to current library or technology use. Lack of room – Library and Museum Strategy 2109 identified the current Library building is undersized per capita. No room to expand current collection. No available meeting room space. Increased maintenance costs due to ageing building. 	No effect on rates or debt.

Delivery of Spring Creek Pool 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.	1	Spring Creek Pool is no longer a Council provided service. Option 1A: A local group or organisation takes over the facility, supported by an annual operational grant [preferred option]	<ul style="list-style-type: none"> Usage is low. Running costs are approximately \$60,000 per annum (excluding overheads) and income is around \$3,000. Westland Recreation Centre is just 7km away. This option allows the facility to remain available for the community to use. 	<ul style="list-style-type: none"> \$30,000 operational grant funded by general rates. Included in forecast rates rise.
	1	Option 1B: If no suitable group or organization available to take over the facility, Council will close and dispose of it.	<ul style="list-style-type: none"> The facility is no longer available for the community to use. 	<ul style="list-style-type: none"> Saving of approximately \$60,000 in direct costs (note \$30,000 of this already included in budgets as operational grant) and potential proceeds from sale (current rating valuation is \$86,000).
	2	Continue to provide the service but funded by a target rate	<ul style="list-style-type: none"> Cost targeted to the ratepayers felt to get the most benefit from the service being available. The West Coast Sport and Active Recreation Places and Spaces Strategy has identified an over-supply in aquatic facilities for the West Coast – this option goes against that report. 	<ul style="list-style-type: none"> Increase in the rates for Runanga/Rapahoe/Dunollie properties of approx. \$160 per annum per rates assessment
	3	Continue to provide the service funded by the general rate, i.e. status quo	<ul style="list-style-type: none"> The Westland Recreation Centre is just 7km away. Cost spread amongst all ratepayers. The West Coast Sport and Active Recreation Places and Spaces Strategy has identified an over-supply in aquatic facilities for the West Coast – this option goes against that report. 	<ul style="list-style-type: none"> Increase in the general rate of approximately \$30,000, which would be around \$3.80 per annum per rates assessment.
Ongoing provision of Runanga Service Centre and Community Library: The building housing these services is ageing, incurring increasing maintenance costs. Other communities in the District	1	Runanga Service Centre and Community Library is no longer a Council provided service and the building disposed of. [preferred option]	<ul style="list-style-type: none"> Saves \$17,000 direct costs per annum (excluding maintenance). Rationalisation of Council services and equity of access to them across the District. Land and buildings are freehold and owned by Council 	<ul style="list-style-type: none"> Cost saving of \$17,000 per annum plus approx. \$5,000 allowance per annum for maintenance has been included in our forecast budgets.

are not able to access a service centre in their area. Council offices and library are close – just 7km away. Customers are few and with cheques being disestablished end of June, timely to review need for this service centre.	2	Continue to provide the service but funded by a target rate	<ul style="list-style-type: none"> Cost targeted to the ratepayers felt to most benefit from the service being available. Questions over ongoing relevance of the service. 	<ul style="list-style-type: none"> Increase in the rates for Runanga/Rapahoe/Dunollie properties of approx. \$40 per annum per rates assessment
	3	Continue to provide the service funded by the general rate, i.e. status quo	<ul style="list-style-type: none"> Cost spread amongst all ratepayers. Questions over ongoing relevance of the service. 	<ul style="list-style-type: none"> Increase in the general rate of approximately \$22,000, which would be around \$2.80 per annum per rates assessment.

How we'll measure our performance

Libraries

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with service	82%	82%	82%	82%	No change

Westland Recreation Centre/Swimming Pools

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of users are satisfied with swimming pools	75%	75%	75%	75%	No change
	% of users satisfied with WRC stadium	63%	70%	75%	75%	No change
	% of users satisfied with WRC fitness centres/gyms/group fitness classes	51%	60%	65%	70%	Improving

Cemeteries

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents satisfied with the standard of cemetery facilities	77%	77%	77%	77%	No change

Parks and Tracks

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with the service	85%	85%	85%	80%	Declining

Public Toilets

What we're measuring	How we'll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with the service	71%	71%	72%	75%	Improving

Financial information

Activity funding

These activities are funded by:

User fees

- Being community type facilities, there is no opportunity in providing a quality service that is fully funded by users of the facilities. User fees are set at a level that aims to strike a balance between providing equal access to all and recovering a fair amount from the user.

General Rates

- Based on the above comments, the majority of funding is provided from general rates. The assets also serve to make our District a more attractive place to live, work and invest.

Subsidies and grants

- Are used wherever available, particularly towards development of new facilities.

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Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan \$000	LTP Year 1 \$000	LTP Year 2 \$000	LTP Year 3 \$000	LTP Year 4 \$000	LTP Year 5 \$000	LTP Year 6 \$000	LTP Year 7 \$000	LTP Year 8 \$000	LTP Year 9 \$000	LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	3,888	4,643	4,537	4,643	4,795	4,891	7,025	8,026	9,114	9,251	6,424
Targeted rates	73	91	66	94	65	94	65	94	65	94	65
Subsidies and grants for operating purposes	55	236	28	28	29	29	30	30	31	31	32
Fees and charges	1,319	1,313	1,338	1,324	1,350	1,375	1,399	1,423	1,447	1,472	1,495
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	30	31	31	32	32	33	34	34	35	35
Total operating funding [A]	5,335	6,313	6,000	6,120	6,271	6,421	8,552	9,607	10,691	10,883	8,051
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	4,069	4,722	4,516	4,648	4,666	4,814	4,853	5,003	5,038	5,214	5,256
Finance costs	142	122	162	160	154	147	172	203	290	183	176
Internal charges and overheads applied	691	809	862	872	887	894	924	944	963	988	1,012
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	4,902	5,653	5,540	5,681	5,707	5,856	5,949	6,150	6,291	6,385	6,444
Surplus (deficit) of operating funding [A - B]	433	660	460	439	564	565	2,603	3,457	4,400	4,498	1,607
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	635	200	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(524)	(118)	(87)	46	(117)	897	30	2,633	1,745	(4,089)	(940)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	111	82	(87)	46	(117)	897	30	2,633	1,745	(4,089)	(940)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	325	142	6	6	6	6	7	84	7	7	7
—to replace existing assets	318	752	249	391	263	1,338	2,459	5,888	5,960	284	302
Increase (decrease) in reserves	(100)	(151)	118	88	178	118	168	118	178	118	358
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	544	742	373	485	447	1,462	2,633	6,090	6,145	409	667
Surplus (deficit) of capital funding [C - D]	(433)	(660)	(460)	(439)	(564)	(565)	(2,603)	(3,457)	(4,400)	(4,498)	(1,607)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	3,888	4,643	4,537	4,643	4,795	4,891	7,025	8,026	9,114	9,251	6,424
Targeted rates (including targeted rates for water supply)	73	91	66	94	65	94	65	94	65	94	65
Subsidies and grants (operating and capital)	690	436	28	28	29	29	30	30	31	31	32
User charges and regulatory income (consent fees, infringements etc...)	1,319	1,313	1,338	1,324	1,350	1,375	1,399	1,423	1,447	1,472	1,495
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	30	31	31	32	32	33	34	34	35	35
Total income	5,970	6,513	6,000	6,120	6,271	6,421	8,552	9,607	10,691	10,883	8,051
EXPENDITURE											
Staff costs	1,741	2,236	2,101	2,133	2,169	2,212	2,261	2,313	2,368	2,430	2,496
Operating & maintenance costs	2,328	2,486	2,415	2,515	2,497	2,602	2,592	2,690	2,670	2,784	2,760
Finance costs	142	122	162	160	154	147	172	203	290	183	176
Internal charges and overheads applied	691	809	862	872	887	894	924	944	963	988	1,012
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,383	1,386	1,389	1,418	1,421	1,423	1,506	1,508	1,510	1,592	1,844
Total expenditure	6,286	7,039	6,929	7,099	7,128	7,279	7,455	7,658	7,802	7,977	8,289
Surplus (deficit) of activities	(316)	(526)	(929)	(979)	(857)	(858)	1,097	1,949	2,889	2,906	(238)

How we manage our assets that support this activity

Council has an extensive level of information about assets (including buildings) in the Activity Management Plans (AMPs). The AMPs also contain detailed service level information such as capacity, response to complaints and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. We also respond to information from customers and contractors, as well as resident surveys and enquiries.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
New Toilet - Mitchells	-	125	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	325	17	6	6	6	6	7	84	7	7	7
	325	142	6	6	6	6	7	84	7	7	7

Significant renewal projects

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
EQ Strengthen Iveagh Bay Toilet	-	122	2	2	2	2	2	2	2	2	2
New Library	-	166	-	-	-	1,079	2,197	5,587	5,682	-	-
General renewals	318	464	247	389	261	257	260	299	276	282	300
	318	464	247	389	261	257	260	299	276	282	300

Proposed changes to levels of service

- Earthquake strengthening of Iveagh Bay toilets.
- New toilet in Mitchells.
- New Library building on freehold land (from year 5).

Additional capacity

None specifically provided for in the Draft Plan, beyond providing for future growth when replacing assets.

Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard per the AMPs for the duration of its useful lives. Where assets remain in service beyond their useful life, their condition will be regularly assessed to ensure they remain safe to use.

Assumptions regarding sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from loans funded over the expected life of the asset.
- Other sources of funding include:
 - Rates
 - Special Reserve funds
 - User charges
 - Grants

Significant potential negative effects of this activity

Libraries, swimming pools, heritage, indoor sport centres, Council's In-house task force and public restrooms

Nil

Parks and Tracks

- Potential of littering and illegal dumping of waste by users.
- Ongoing direct or indirect general rate input is required which could be used for other needs
- Potential to become a target location for undesirable social acts, threatening or criminal behaviour, vandalism, property damage and fire.

Cemeteries

- Discharge of contaminants to land and/or water.
- Health and safety risks to employees/operators/contractors and users (exposure and/or handling of hazardous materials, high pressure, trench collapse).
- Public land/property/space not available for other uses.

Public Restrooms

- Potential to become a target location for undesirable social acts, threatening or criminal behaviour, vandalism, property damage and fire.

Democracy & Administration

Activities included in this group

Democracy and administration includes:

- Elected members
- Council's Administration
- Economic development
- Event facilitation

Why we are involved in this activity/these activities

A healthy community requires its elected Council to show strong leadership and, at the same time, to conduct its business in an open, transparent manner.

A vital component of democracy and administration is a Council Administration that executes Council's policies in a professional, objective and fair manner and, in doing so, respects the needs and circumstances of individual residents.

Council is involved with projects which provide economic development benefits to ensure the Grey District is a vibrant, progressive and welcoming environment where people can live, work or visit. Council will focus on the issues of concern that can be controlled, while keeping a watchful eye on those issues of concern which are not within its control.

Council facilitates events in the Grey District to provide vibrancy and enhance community wellbeing. Council will organise events to be held on Council property, e.g. Town Square, community facilities.

Contribution to Council's Vision and Outcomes

OUTCOME	CONTRIBUTION
Economic Wellbeing	
Strong Diverse Sustainable Prosperous	Effective, diverse, and strategic leadership contributes to a strong, sustainable and prosperous economy. Effective economic development and event facilitation contributes to a strong, diverse, sustainable, and prosperous economy. Efficient and strategic administration enables a strong economy.

OUTCOME	CONTRIBUTION
Social Wellbeing	
Proud Unique Inter-connected Vibrant	Effective, diverse and strategic leadership enables a safe, inclusive and connected community. Effective economic development, and event facilitation enables an inclusive, connected and enabled community. Efficient and strategic administration enables the community.
Cultural Wellbeing	
Proud Unique Inter-connected Vibrant	Effective and diverse leadership enables the district to be culturally inter-connected. Effective economic development and event activities provide for a proud, unique, inter-connected and vibrant culture.
Environment Wellbeing	
Bold Practical Resilient Strategic	Effective and strategic leadership provide for decisions that enable boldness, practicality and resiliency within the environment.

What we'll provide

We will:

- Serve our community with integrity, dedication and commitment, at all times seeking to achieve the very best for our District and its people.
- Be an advocate for our community.
- Lead projects which enhance the vibrancy and wellbeing of our community and which have economic development benefits.
- Take strong leadership in addressing issues facing the District.
- Ensure that our Administration is professional and competent and acts in support of Council's vision.
- Seek the community's engagement in all matters that are important to them or dear to them and to consider inputs carefully and constructively.
- Work with other authorities, agencies and stakeholders, both locally and regionally, in order to gain efficiencies and to get the best outcomes for our community.

Issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
With the ever changing legislative environment, the workload on Council remains high.	1. Council will actively monitor the situation.	✓.		
The ability to recruit staff in key specialist positions will remain an issue and the smaller size of the Administration will continue to demand a higher input from individual staff members, which may impact on staff retention.	1. Council will actively monitor the situation.	✓.		
Projects identified and prioritised by the community in the Community Economic Development Strategy impact on and have interdependencies with the other activities of Council.	1. Council will actively communicate with all parties and look to find cross-overs to maximise efficiencies	✓.	✓.	✓.
Implementation of the Greymouth CBD Redevelopment Plan is ongoing and will require collaboration between all parties.	1. Council will use PGF funding to implement actions from the Greymouth CBD Redevelopment Plan. 2. Council will consider funding of future projects in future Annual Plans and LTPs. No additional funding has been included in this plan. 3. Council will make approaches and applications for external funding. 4. Council will work collaboratively with stakeholders in the ongoing beautification and improvement of the CBD.	✓.	✓.	✓.
Settling on-going lease and rental disputes and provide for a clear and secure process into the future.	1. Council will develop a fair and well define for settling lease/rental disputes. 2. Council will continue to actively monitor the situation.	✓.	✓.	✓.
The impact of compliance with Council's Earthquake Compliance Policy on buildings leased or occupied by Council.	1. Upgrade Council buildings to achieve compliance with Council's Earthquake Prone Buildings Policy 2. Council will actively monitor the situation.	✓.		
The unavailability of a freeholding option in relation to Mawhera Incorporation land occupied by Council and the resultant inability to predict rent increases.	1. Council will actively monitor the situation. 2. Council will maintain a close relationship with Mawhera and incorporate upcoming rent increases into budgets where possible.	✓.	✓.	✓.

How we’ll measure our performance

What we’re measuring	How we’ll measure	Target				
		Current Performance (2019/2020)	Year 1 (2021/2022)	Years 2 – 3 (2022/2023 – 2023/2024)	Years 4 – 10 (2024/2025 to 2030/2031)	Target Trend (years 1-10)
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	76%	80%	80%	80%	No change

Financial information

Activity funding

These activities are mainly funded by:

User fees

- Other occupiers of Council property to meet fair market rentals.

General Rates

- The cost of providing the democratic process (Councillor remuneration, meetings etc) is a shared a cost against all ratepayers.

Internal overheads recovered

- The cost of Council’s administration is recovered as a cost against the external services Council provides.

Funding impact statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,633	1,764	1,885	2,023	2,069	1,797	1,990	2,033	2,039	2,114	2,163
Targeted rates	129	129	129	129	129	129	129	129	129	129	129
Subsidies and grants for operating purposes	1	126	26	26	26	26	26	26	26	26	26
Fees and charges	61	46	77	47	48	80	50	51	83	52	53
Internal charges and overheads recovered	6,296	6,994	7,509	7,511	7,734	7,530	8,043	8,225	8,389	8,594	8,805
Local authorities fuel tax, fines, infringement fees, & other receipts	261	156	139	135	106	118	99	97	95	80	96
Total operating funding [A]	8,381	9,215	9,765	9,871	10,112	9,680	10,337	10,561	10,761	10,995	11,272
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,476	7,321	7,321	7,327	7,462	7,316	7,594	7,764	7,918	8,088	8,287
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,961	2,084	2,402	2,354	2,482	2,180	2,575	2,628	2,675	2,734	2,795
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	8,437	9,405	9,723	9,680	9,944	9,496	10,169	10,392	10,593	10,822	11,081
Surplus (deficit) of operating funding [A - B]	(56)	(190)	42	191	168	184	168	169	168	173	191
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	-	-	-	-	-	-	-	-	-	-	-
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	4	4	4	4	4	4	4	4	4	4
—to replace existing assets	104	154	157	160	163	166	169	172	175	178	181
Increase (decrease) in reserves	(161)	(347)	(119)	27	1	14	(5)	(7)	(11)	(9)	6
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	(56)	(190)	42	191	168	184	168	169	168	173	191
Surplus (deficit) of capital funding [C - D]	56	190	(42)	(191)	(168)	(184)	(168)	(169)	(168)	(173)	(191)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail in PART C: Council's Financial Strategy.

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this Draft Plan.

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	1,633	1,764	1,885	2,023	2,069	1,797	1,990	2,033	2,039	2,114	2,163
Targeted rates (including targeted rates for water supply)	129	129	129	129	129	129	129	129	129	129	129
Subsidies and grants (operating and capital)	1	126	26	26	26	26	26	26	26	26	26
User charges and regulatory income (consent fees, infringements etc...)	61	46	77	47	48	80	50	51	83	52	53
Internal charges and overheads recovered	6,296	6,994	7,509	7,511	7,734	7,530	8,043	8,225	8,389	8,594	8,805
Other income	261	156	139	135	106	118	99	97	95	80	96
Total income	8,381	9,215	9,765	9,871	10,112	9,680	10,337	10,561	10,761	10,995	11,272
EXPENDITURE											
Staff costs	4,032	4,641	4,767	4,815	4,897	4,872	5,105	5,223	5,348	5,487	5,631
Operating & maintenance costs	2,444	2,680	2,554	2,512	2,565	2,444	2,489	2,541	2,570	2,601	2,656
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,961	2,084	2,402	2,354	2,482	2,180	2,575	2,628	2,675	2,734	2,795
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	262	262	268	273	278	283	288	294	299	305	311
Total expenditure	8,700	9,667	9,991	9,953	10,222	9,779	10,457	10,686	10,892	11,127	11,392
Surplus (deficit) of activities	(319)	(452)	(226)	(82)	(110)	(99)	(120)	(125)	(131)	(132)	(120)

How we manage our assets that support this activity

This group of activities has very little assets of significance. The few assets involved are monitored proactively and decisions made about maintenance, upgrades and renewals as needed.

Significant expenditure

Significant capital expenditure

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
New events area establishment	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	-	4	4	4	4	4	4	4	4	4	4
	-	4	4	4	4	4	4	4	4	4	4

Significant renewal projects

CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle and plant item replacements	90	118	121	123	125	128	130	132	134	137	139
IT equipment replacements	-	27	27	27	27	27	27	27	27	27	27
General renewals	14	9	9	10	11	11	12	13	14	14	15
	104	154	157	160	163	166	169	172	175	178	181

Proposed change to levels of service

None signalled in this Draft Plan.

Additional capacity

None specifically provided for in the Draft Plan, beyond providing for future growth when replacing assets.

Key assumptions about the useful life of assets and the sources of funding for replacement

Nil

Significant potential negative effects of this activity (significant)

Nil

Key assumptions we have made about this activity/these activities

- The demands on Council's Administration will not increase to such an extent that further positions will have to be created.
- Local interest in being involved in local government will continue to be high and will provide sufficient, quality candidates for election.
- Council will continue to operate as an autonomous local authority on the same basis as it does now.
- Council will be appointing a new CEO during the currency of this Plan.
- Relationships with service providers of non-Council services identified in this plan as well as other authorities including the Crown and neighbouring local authorities will remain constructive and positive.
- Council will continue to lead and facilitate economic development initiatives identified by the community and recognised these in a Strategy.

PART F: Council Finances

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Introduction

Statement of responsibility

The forecast financial statements are prepared on assumptions and the best available information as to future events which the Council expects to take place as of March 2021. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Authorisation for issue

This document was authorised for issue by Council on, and is dated, 14 April 2021.

Purpose for which this plan is prepared

This Grey District Council Draft 2021-2031 Long Term Plan is prepared in accordance with the Local Government Act 2002, which requires a Council, at all times, to have a Long Term Plan. The purpose of this legislation is to provide for democratic and effective local Government that recognises the diversity of New Zealand communities and promotes the accountability of local authorities to their communities. The Council's Long Term Plan covers the period 1 July 2021 to 30 June 2031. It incorporates operating and capital expenditure for the period for the Council.

Year One of the plan represents Council's 2021/2022 Annual Plan, covering the period 1 July 2021 to 30 June 2022.

In this section financial information is provided at a summary level but more detailed information for each Activity and Group of Activities is included throughout the document.

Comparative information

The 2020/2021 comparative information is based on the 2020/2021 Annual Plan.

Cautionary note

The forecast financial statements are prospective financial information. Actual results are likely to vary from the information presented and the variations may be material. This prospective information should not be read other than for the purposes other than intended.

Significant forecasting assumptions

In order to help the Council in its long-term decision-making, a number of assumptions have been made about the future. While we cannot know what will happen over the next ten years, it is important to forecast what is most likely to happen based on current knowledge. These forecasts enable the Council to ensure its financial forecasts are as accurate as possible and the services it plans to deliver are relevant.

There will always be risks and a level of uncertainty that the assumptions prove to be significantly incorrect. To prevent this from happening so far as possible, the Council looks to use authoritative sources in developing its assumptions. These assumptions are reviewed at least every three years as part of the Long Term Plan development.

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Assumption	Level of uncertainty (High, Medium, Low) H M L			Risk	Impact of variation to assumption	Approach to mitigation of risk
<p>Population Change</p> <p>Assumption: It is assumed that growth in the Grey District's population will generally be consistent with the projections released by Statistics NZ, which are that the Grey District and the West Coast region through to 2043 will experience a gradual decline in population.</p> <p>According to Infometrics data, the population of the Grey District in 2020 is 13,800, up 0.4% from 13,750 in 2019². 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 (according to medium projections). By 2043, Grey District is projected (according to medium projections) to see its population decrease by 8% to 12,600³.</p> <p>While the Covid-19 pandemic has significantly impacted on overseas tourist numbers in the short term, over the longer term a return to increasing demand on infrastructure from tourists is anticipated. This is not expected to place any additional demand on Council essential infrastructure that cannot be accommodated within existing capacity, with the exception of Moana and Blackball townships in the medium term, as highlighted in the Infrastructure Strategy.</p> <p><i>Comment: Population projections do not represent forecasts but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail.</i></p> <p><i>In recent years the 'natural' population has increased. This is partially offset by negative migration numbers, although this decline is slowing.</i></p>		✓		Population change across the district occurs at a higher or lower rate than expected. Potential Covid-19 impacts also create a level of uncertainty.	<p>A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community.</p> <p>There may also be impacts in terms of increased or decreased demand for regulatory and other services, and lower or higher demand for new infrastructure than assumed.</p>	<p>Council will continue to monitor population change in the District and respond to meet needs where possible. Options include: Ensuring Council facilities and services remain relevant and accessible for all. Providing good quality infrastructure and recreational facilities to encourage people to live and work in the Grey District.</p>

² Infometrics, Grey District Economic Profile

³ Statistics NZ Subnational Population Projections 2013 (base) - 2043, Grey District

<p>Demographic Changes</p> <p>Assumption: The District's population will age significantly over the next thirty years. There is projected to be a decline in all other age groups, including birth rates.</p> <p><i>Comment: The number of youth (0-14 years) is projected to decrease from 2,700 in 2018 to 2,050 in 2043. The working age population (15-64 years of age) is expected to decrease from 8,350 in 2018 to 6,550 in 2043. The 65 years and older age group is the fastest growing age group expanding from 2,550 in 2018 to 4,000 in 2043⁴. The steepest increase is projected to occur in the period to 2028, with ongoing although lesser increases to 2038. This growth occurs as the relatively large 'baby boomer' cohort moves into the 65 years and older age group.</i></p>		✓	Demographic changes across the district occur at a higher or lower rate than expected	Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower level of service. It could also lead to a mismatch of service levels to the community expectations. As the population ages, this may lead to increasing affordability issues due to increasing numbers of residents on fixed incomes.	Council will continue to monitor demographic change in the District and adapt or redirect service levels and activity provision to meet needs where possible within reasonable costs, e.g. providing a retirement housing service which meets the current needs of the community and ensuring Council facilities and services are accessible for all ages, including being accessible by walker, cane or wheelchair. It will consult with targeted groups on service levels where necessary. Council will continue to provide good quality infrastructure and recreational facilities to encourage people to live and work in the Grey District. Options exist where affordability issues may arise including rates postponement.
<p>Household Change</p> <p>Assumption: It is anticipated that total household numbers will remain relatively stable over the period of the LTP. There is a projected decline in the average household size, with a decline in family households and an increase in one-person households⁵.</p> <p><i>Comment: Grey District household change has been relatively stable, with a minor projected increase in households to 2043. Household size is declining due to a combination of factors including an aging population, increasing life expectancy and societal trends including couples having fewer children. Household projections do not represent forecasts, but indicate what future households will be if the underlying assumptions prevail.</i></p>		✓	Household change across the district occurs at a higher or lower rate than expected	A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e. have too much capacity too soon).	Council will continue to monitor household change in the District. Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work.

⁴ Statistics NZ Subnational Population Projections by age 2013 (base) - 2043, Grey District

⁵ Statistics NZ Subnational Population Projections by household type, 2013 (base) to 2038, Grey District

<p>Useful Life of Significant Assets</p> <p>Assumption: It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives as determined by the depreciation rates included in the accounting policies.</p> <p><i>Comment: Useful lives are detailed for significant assets in Asset/Activity Management Plans. These provide information to support replacement and renewal plans. Useful lives used in the calculation of depreciation are stated in the Council's Accounting Policies under Depreciation. Significant Assets refer to key infrastructure assets such as sewer, water supply, stormwater, and roading.</i></p>		✓	<p>Significant assets fail sooner or later than estimated</p>	<p>A major change in the useful life of a significant asset may have significant financial and community repercussions, including the cost of repairing or replacing the asset to current or improved service levels and the loss of use of the asset for the period it is out of action.</p> <p>If a new entity was established to look after existing Council assets, there is likely to be a loss of control of data and information.</p>	<p>Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing and regular revaluations.</p> <p>Where an asset wears out earlier than anticipated, mitigation may also involve reprioritisation of the capital work programme. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.</p> <p>Council will continue to invest in and gather good quality asset data. Where there is potential for failure of an asset, intensive data work should be funded.</p>
<p>Legislative Requirements on Council</p> <p>Assumption: Government legislation relating to some activities that Councils are involved in will lead to increasing legislative and regulatory compliance requirements or lead to significant impacts on delivery of certain activities over the period of the Long Term Plan.</p> <p><i>Comment: A number of legislative changes have occurred or have been signalled which will impact local government to various degrees, including: Three waters reform, with the Water services regulator, Taumata Arowhai, established and three waters reform entity legislation expected to be passed in 2021/22 (refer Three Waters Reform assumption below). The Productivity Commission report on Local Government Funding and Financing has proposed wide ranging recommendations that if approved by central government will result in numerous changes Council will need to respond to.</i></p> <p><i>National policy statements - including Freshwater Management and Indigenous Biodiversity Resource Management Act – the government has committed to a review of the RMA, based on the Resource Management Review Panel recommendation (July 2020) that the RMA be repealed.</i></p>		✓	<p>The impact of government legislation is more or less than expected.</p> <p>New or additional legislation is introduced that further alters the nature and scope of one or more Council activities.</p>	<p>Unrealised impacts of legislation and unfunded mandates may create greater than expected impacts on Council operations, including on operating budgets, staff workloads, and on programme delivery. Lesser impacts may mean some operational review is required. Either of these may lead to additional or less cost for the resident or ratepayer.</p>	<p>Council will monitor the wider legislative and policy landscape and consider the impacts of proposals on Council activities.</p> <p>Council may submit or advocate on specific proposals (including regionally) to minimise or improve impacts on Council operations.</p> <p>Where new requirements are confirmed, Council may need to reprioritise its strategic priorities.</p>

<p>Three Waters Reform</p> <p>Assumptions: The Government has announced a programme to reform local government water services delivery arrangements. The Government has indicated its intention for the creation of new entities that are of significant scale, asset owning, and publicly owned to deliver water supply and wastewater services. The form of any new arrangements is not known at present.</p> <p>Until this is further developed, for planning purposes the Council has assumed that it will deliver these services over the life of the LTP, acknowledging that this assumption has a high degree of uncertainty. We note that our community will need these services, whether they are delivered by the Council or not. Our Long Term Plan, Financial Strategy and Infrastructure Strategy have been prepared based on status quo, as at the time of writing we cannot reliably quantify what the impact of any changes may be.</p> <p>It is assumed that the Stormwater activity will remain unchanged over the life of the Long Term Plan.</p> <p>We have also assumed that the costs of transition would be funded from future stimulus funding rounds from central government.</p>	✓		<p>The Three Waters Reform may significantly change the way the three waters services are delivered and funded.</p>	<p>There is potential that this change will result in significant funding and resourcing implications for the rest of Council.</p>	<p>Council will continue to engage with central government and work with neighbouring Councils on new arrangements for the delivery of water and wastewater services. It will also continue to seek funding for capital and operational works in the District associated with the review programme.</p>
<p>Covid-19</p> <p>Assumption: The Covid-19 pandemic has caused major disruption to life and economic activity in New Zealand, and has significantly altered the global economic outlook. At present there is ongoing uncertainty around the management of Covid and its long term effects. The long-term impact on local, regional and national economies is yet to be determined.</p> <p>For the purpose of the Long Term Plan and the associated strategies we have assumed that there will be no significant impact on our activities and services as a result of Covid-19.</p>	✓		<p>A resurgence of the virus may trigger another lockdown of the economy- either regionally or nationally, with associated economic, cultural and social impacts.</p> <p>Border closures may remain in place for longer periods, with ongoing effects on industries including tourism.</p>	<p>Economic, cultural and social effects on our community are significant and/or ongoing, resulting in impacts on our activities and services greater than assumed.</p> <p>Examples of impacts may include: Reduced income from fees and charges. Challenges in terms of setting rates at a level that is affordable to the community. Staff and contractor resourcing. Rate of burials.</p>	<p>Council will monitor the impacts of Covid-19 on the community and plan accordingly.</p>

<p>Climate Change</p> <p>Assumption: Over the period of this Long Term Plan the effects of climate change are expected to impact on:</p> <ul style="list-style-type: none"> • The physical and built environment of the Grey District • Council's activities and service delivery • Council's financial position • The social, environmental, economic and cultural wellbeing of our communities <p>We have good information on hazard risks overall from climate change but not specific information on how it will affect the Grey District and on the services Council provides. When we know what's most at risk, we can start factoring costs into our budgets and working with affected communities on future options.</p> <p><i>Comment: Climate change effects on Grey District are likely to include an increase in temperature, stronger winds, sea level rise, more intense rainfall events and longer dry periods. These are likely to impact directly on Council services such as stormwater, water supply, waste management, roading, port and airport operations, and emergency management.</i></p> <p><i>Currently only West Coast region- wide data is available from Ministry for the Environment. As at December 2020 no decision has been made regarding commissioning specific and more detailed data for the District.</i></p> <p><i>The climate change projections for the West Coast region are summarised below⁶:</i></p> <p><i>Temperature: Compared to 1995, temperatures are likely to be 0.7°C to 1.0°C warmer by 2040 and 0.6°C to 3.0°C warmer by 2090.</i></p> <p><i>Rainfall: The West Coast is expected to become wetter, particularly in winter and spring. Winter rainfall in Hokitika is projected to increase by 8 to 29 per cent by 2090.</i></p> <p><i>Wind: The frequency of extremely windy days in the West Coast by 2090 is likely to increase by between 2 and 5 per cent.</i></p>	✓		<p>Considerable uncertainty exists around the global approach to limiting emissions, which in turn creates uncertainty around the timing and severity of any climate change. The period of time that climate change scenarios are projected to come in to effect may be much greater or less than what is provided for in the Long Term Plan.</p> <p>More severe weather events and sea level rise resulting from climate change may increase damage to infrastructure and place pressure on Council finances.</p> <p>The full extent of climate change, the impacts for the district, and level of central government support and assistance is unknown and may be insufficient to meet the costs associated with full climate change adaptation measures.</p> <p>If the effect has been underestimated, the financial impact will be significant over the longer term. If the effect has been overestimated, there is little impact on the period of this LTP.</p>	<p>Decisions made in the next 10 years could have considerable financial impact on future generations. Council will need to monitor the effects of climate change and review its budgets, work programme and levels of service accordingly.</p> <p>Some of the actions we will be taking include:</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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.
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⁶ Ministry for the Environment website *Climate change projections for the West Coast region*

Climate change continued...

Storms: Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.

Sea-level rise (SLR): New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th century. Since satellite measurements began in 1993, the average global sea level has risen about 3.3 millimetres a year⁷. Projections for New Zealand estimate between 0.19-0.27 metres (above the 1996-2005 baseline) by 2040, and 0.49-0.9m by 2090⁸.

- 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.

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⁷ Ministry for the Environment *Preparing for Coastal Change: A Summary of Coastal Hazards and Climate Change: Guidance for Local Government*, December 2017

⁸ Ministry for the Environment *Coastal Hazards and Climate Change: Guidance for Local Government*, December 2017

					<p>Progressively build up funds for work or actions that may be required as a result of the effects of climate change.</p> <p>Initiate adaptive planning conversations with affected communities.</p> <p>Council's Infrastructure Strategy will address the likely effects of climate change on the lifecycle of significant infrastructure; growth or decline in demand; and increases or decreases in levels of service where managed retreat may not be the agreed option.</p> <p>Provide for borrowing to cover recovery and resilience costs in the Financial Strategy.</p> <p>Maintain and establish relationships with key partners, including Rūnanga, neighbouring District Councils, West Coast Regional Council, NEMA (Civil Defence) and other network utility operators (e.g. NZTA, KiwiRail, power and communications companies) to proactively plan for the effects of climate change on key assets in the district.</p> <p>Maintain ability and capacity to ensure an effective regional and local emergency management response.</p>
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<p>Resource Consents</p> <p>Assumption: That the resource consents are required for delivery of the services outlined in this Plan will be obtained and granted with conditions that can be met within anticipated expenditure estimates.</p> <p><i>Comment: Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities.</i></p>		✓	<p>A resource consent is not obtained or renewed or conditions imposed are unacceptable.</p>	<p>The decline or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Any decline of resource consents may delay project benefits.</p>	<p>Appropriate planning for resource consent applications/renewals should ensure that they are obtained. All project planning will include planning and a risk assessment of resource consenting.</p> <p>Monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes and renewals.</p> <p>The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.</p>
<p>Service Levels</p> <p>Assumption: That levels of service will not change, except as a consequence of planned expenditure programmes in this Long Term Plan.</p> <p><i>Comment: Service level changes may be initiated from increased community expectations or demand, a need to vary levels of service within the district due to local expectations, or changes required as a result of government legislation, regional or district policy. Legislative change may also impose significant new service levels on the Council. The way that services are provided may change but this may have not significant effect on service levels.</i></p>		✓	<p>Significantly enhanced or increased service levels are demanded by the community or required by the government on local authorities in one or more areas of activity.</p> <p>Levels of service decrease due to the impacts of climate change, where the cost of maintaining the level is prohibitive, or due to physical changes the service is no longer possible.</p>	<p>Increased or improved service levels require additional cost and/or resources to provide them.</p>	<p>The Council regularly monitors existing service provision within its operations and reviews and sets levels of service through activity management planning and corporate planning processes. Service levels may change due to technology enhancements.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.</p> <p>Significant changes in service levels will be confirmed with the community via consultation. These may require increases to fees or rates, depending on how the service involved is funded.</p>

<p>Demand</p> <p>Assumption: Actual demand will remain within projected levels.</p> <p><i>Comment: The impact of demand on Council activities will vary. Activities will be influenced by factors specific to them (e.g. a rise in building consents for building control). Activities may also be influenced by broader factors or trends (e.g. population change, demographic changes, household changes).</i></p>	✓	<p>Significantly enhanced or increased service levels are demanded by the community or required by the government on local authorities in one or more areas of activity.</p> <p>Demand significantly reduces for one or more activity so that they are no longer financially viable.</p>	<p>Increased or improved service levels require additional cost and/or resources to provide them.</p>	<p>The Council regularly monitors existing service provision within its operations and reviews and sets levels of service through activity management planning and corporate planning processes. Service levels may change due to technology enhancements.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.</p> <p>Significant changes in service levels will be confirmed with the community via consultation. These may require increases to fees or rates, depending on how the service involved is funded.</p>
<p>Availability of Staff, Contractors and Materials</p> <p>Assumption: Appropriately skilled staff and contractors and necessary materials will be available to undertake the work required to agreed standards, deadlines and cost.</p>	✓	<p>Projects could be delayed if there is a shortage of contractors or materials or contractors cannot deliver to agreed standards, costs and timeframes.</p> <p>Council's work programme and the delivery of community outcomes could be negatively impacted if key roles within Council are vacant.</p>	<p>Might increase cost and/or delay projects or mean services are delivered to a lesser level of service.</p>	<p>Ensure robust recruitment practices and business continuity processes are in place.</p> <p>Spread delivery of capital projects to reasonable timeframes.</p> <p>Maintain an ongoing and complete awareness of the Council's overall programme delivery, including delivery challenges.</p> <p>Continue to engage with contractors.</p> <p>Ensure robust contracts are in place.</p> <p>Look at alternative resources.</p>

<p>Natural Hazards/Local natural disaster</p> <p>Assumption: It is assumed that there is a likelihood of one or more significant events occurring during the life of this plan.</p> <p><i>Comment: The district is at risk from natural hazards such as flooding, earthquakes, and storms. These events can strike without warning. Some hazards are being increasingly magnified by the effects of climate change.</i></p>	✓	Natural hazard events occur that have a significant impact on the district and Council services	A natural hazard event can potentially cause significant unbudgeted costs, beyond the capacity of the Council to cope.	<p>Council has various resilience factors and financial resources in place to call upon if an event were to occur, including:</p> <ul style="list-style-type: none"> Financial Assistance from NZTA (funding provided for events with a greater than 1:20 year return period); Disaster Recovery Fund; and Insurance. <p>The budgets in the LTP do not include any provision for the implications of a natural disaster except for the Emergency Rooding Budget.</p> <p>Through its Activity Management Plan process and project planning, Council aims to increase the resilience of critical assets, to limit effects of natural disaster and enable their reinstatement or replacement.</p> <p>Central government (NEMA) has a role in disaster recovery after a natural disaster, including funding support.</p>
<p>Earthquakes – Alpine Fault</p> <p>Assumption: A significant earthquake in the region will cause major damage, displacement and disruptions across the district, including to Council assets and services.</p> <p><i>Comment:</i> <i>The Alpine Fault Magnitude 8 (AF8) Study, 2016 confirms a 30% probability of a magnitude 8.0 or above event within the next 50 years.</i></p> <p><i>Scientific modelling notes that a severe earthquake on the South Island Alpine Fault is likely within the lifetime of most of us, or our children. Planning for the effects of such an event needs to be included in this and future Long Term Plans.</i></p>	✓	An Alpine Fault event occurs earlier or later than predicted.	If an event occurs earlier than predicted there is a risk that Council and the community are underprepared for the event, and not well placed for recovery.	<p>In addition to mitigations outlined above:</p> <ul style="list-style-type: none"> Continue to work with the West Coast CDEM Group to maintain CDEM readiness for response and recovery. Adopt resilient infrastructure standards through asset management plans and practises. Council facilities are upgraded as budgets allow. All new facilities meet current code requirements. Working collaboratively to ensure appropriate Combined District Plan provisions in relation to known active faults. Providing for borrowing to cover recovery/resilience costs in the Financial Strategy. Council is involved in the AF8 collaboration - planning and preparing a coordinated response across the South Island.

<p>Strategic Assets</p> <p>Assumption: Council will remain involved in all activities involving strategic assets* and continue to own and control some of the strategic assets.</p> <p>An exception is the Greymouth floodwall structure, which is proposed to be transferred from the Grey District Council to the West Coast Regional Council during year 1, who currently rate for the structure, pay all associated costs and make related operational decisions.</p> <p><i>*as listed in the Significance and Engagement policy</i></p> <p><i>Comment: Legislatively driven changes affecting water services (a strategic asset) have been signalled during the 2021-2031 LTP period. Any changes of this nature would be subject to a legislative process and potentially local consultation processes.</i></p>		✓	Changes in control or ownership of strategic assets could have implications for Council staffing and community influence in any decision making process.	Changes in control or ownership of strategic assets could affect the level of service provided to the community, and the ability of Council for input into decision making.	Currently changes in control or ownership of strategic assets must occur as part of an LTP development or amendment, with a formal process required through the Local Government Act.
<p>Governance Structure</p> <p>Assumption: There will be no significant changes to the Council political structure (i.e. Council Elected Members). This includes noting that the governance structure for Three Waters may change over the term of the LTP</p>		✓	Changes in the Council political structure are made	Changes in the political structure could either be minor or major depending on the nature of the changes.	Any changes in political structure will occur through either representation review processes or formal processes driven either by the community, Council or central government. Council will monitor the community and legislative sentiment regarding changes to political structure.

<p>Economic/Industry/Employment Growth Assumption: The unemployment rate in the district (4.2%) was slightly lower than New Zealand (4.4%) over the year to September 2020⁹. 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 Plan¹⁰.</p> <p>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 term¹¹.</p> <p><i>Comment: The economic crisis brought about by the COVID-19 containment measures has seen a sharp drop in economic activity. While official Treasury and Reserve Bank scenarios project a swift recovery, global considerations along with vaccine timelines suggest a recovery over a longer time horizon. BERL analysis suggests a five to eight year recovery scenario; as opposed to a two year turnaround.</i></p> <p><i>This is an area of high uncertainty due to the immediacy, the evolving nature of COVID and the unknown impact on employment, the economy – locally, nationally and internationally. To date the Council has not commissioned specific projections or economic assessments for the district.</i></p>	✓			<p>Economic/ Industry/ Employment growth is lower or higher than forecast due to external factors, such as a slower/quicker than predicted global recovery from COVID-19, or other limitations to accessing the global market for example affecting tourism, or export demand for primary produce.</p>	<p>Council's ratepayer base may face more or less constraints in household budgets. Change may also impact on the demand for certain Council services (e.g. servicing of new developments). This may impact on the cost of the service or provision of over/under capacity (depending on the nature of the change)</p>	<p>Council to be positioned to support changes to AUDIT the industry profile of the district.</p> <p>Ongoing monitoring of the economic climate of the Grey District.</p> <p>Review and ongoing implementation of the Community Economic Development Strategy 2015.</p> <p>Council will explore opportunities and continue to access available funding from economic stimulus packages for water infrastructure and other growth funding to mitigate Covid-19 impacts, support our local economy and stimulate growth. Council will use available stimulus funding on improving services to our community and businesses, including upgrades to three waters assets and services and upgrades to the Port of Greymouth.</p>
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⁹ Infometrics Quarterly Economic Monitor Grey District – September 2020

¹⁰ BERL Economic Scenarios to 2030 – The post-Covid-19 Scene Hōngongoi (July) 2020

¹¹ BERL Economic Scenarios to 2030 – The post-Covid-19 Scene Hōngongoi (July) 2020

<p>Impact of Technology Assumption: Technological advances will continue to enhance our delivery of services, but there will be no new technologies deployed within the period covered by the Long Term Plan that will significantly change the demand for or provision of services.</p> <p><i>Comment: Technological advances will enable Council to deliver services differently. These advances can occur on many levels across many of our services (e.g. improvements to water treatment techniques, implementation of new systems to replace manual Council processes, digitisation of documents, improved GIS platforms). However while improvements in levels of service through technological advances may occur, significant changes to demand for or provision of services is not projected.</i></p> <p><i>Motivation for implementing technological advances can come from an ongoing desire to improve our level of service, efficiency gains or from community expectations..</i></p>			✓	Technologies may become available which significantly change the demand for or provision of services.	Inefficient or ineffective provision of services in the traditional manner when other alternatives may be available. Impacts of technological advances on cost of delivery, job roles and resources.	Council will monitor existing and proposed technologies as they relate to service provision. Activity Management Plans will also address relevant technological advances.
<p>Income Level/Affordability Assumption: Ratepayers will be able to continue to afford to pay all rates set.</p>			✓	An increasing number of ratepayers are unable to afford to pay all rates set.	Council will not collect the required amount of rates income to meet funding needs for service delivery.	Regular review of Revenue and Financing Policies. Environmental scans of the District's economy are completed every three years. Debtor numbers are monitored.
<p>Emissions Trading Scheme Assumption: Costs associated with the Emissions Trading Scheme will be generally as budgeted.</p>			✓	Further costs/compliance measures are introduced or the cost of trading in the market exceeds what is predicted in this Plan.	Council will not have sufficient allowances in its budgets.	Under current legislation Council has included the costs that are necessary to be met as an emitter in relation to its landfills. Council is not planning to undertake any additional activities that would cost under the ETS. Annual budgets are refined to update all assumptions as part of each annual plan process.

<p>Waste Levy Assumption: That the waste levy will be set by central government at the levels in the table below¹², in accordance with its 2020 proposals to expand and increase the levy.</p> <table><tr><th>Landfill class</th><th>1 July 2021</th><th>1 July 2022</th><th>1 July 2023</th><th>1 July 2024</th></tr><tr><td>Municipal landfill (class 1)</td><td>\$20</td><td>\$30</td><td>\$50</td><td>\$60</td></tr><tr><td>Construction and demolition fill (class 2)</td><td></td><td>\$20</td><td>\$20</td><td>\$30</td></tr><tr><td>Managed fill (class 3)</td><td></td><td></td><td>\$10</td><td>\$10</td></tr><tr><td>Controlled fill (class 4)</td><td></td><td></td><td>\$10</td><td>\$10</td></tr></table>	Landfill class	1 July 2021	1 July 2022	1 July 2023	1 July 2024	Municipal landfill (class 1)	\$20	\$30	\$50	\$60	Construction and demolition fill (class 2)		\$20	\$20	\$30	Managed fill (class 3)			\$10	\$10	Controlled fill (class 4)			\$10	\$10			✓ The amount of the levy is higher than that currently proposed, and/or the timeframes for implementation are significantly altered.	Council will not have sufficient allowances in its budgets for further increases in the levy or a shortened timeframe for implementation.	Council will continue to monitor progress in terms of the central government programme around the waste levy.
Landfill class	1 July 2021	1 July 2022	1 July 2023	1 July 2024																										
Municipal landfill (class 1)	\$20	\$30	\$50	\$60																										
Construction and demolition fill (class 2)		\$20	\$20	\$30																										
Managed fill (class 3)			\$10	\$10																										
Controlled fill (class 4)			\$10	\$10																										
<p>Inflation Assumption: The LTP is prepared on the inflation rates assumed in the table below for periods beyond 2021/22 which is based on Local Government Cost Index (LGCI) prepared by BERL¹³:</p> <table><tr><td>2021/22</td><td>3.7%</td></tr><tr><td>2022/23</td><td>2.9%</td></tr><tr><td>2023/24</td><td>2.5%</td></tr><tr><td>2024/25</td><td>2.5%</td></tr><tr><td>2025/26</td><td>2.6%</td></tr><tr><td>2026/27</td><td>2.5%</td></tr><tr><td>2027/28</td><td>2.6%</td></tr><tr><td>2028/29</td><td>2.7%</td></tr><tr><td>2029/30</td><td>2.7%</td></tr><tr><td>2030/31</td><td>2.6%</td></tr></table>	2021/22	3.7%	2022/23	2.9%	2023/24	2.5%	2024/25	2.5%	2025/26	2.6%	2026/27	2.5%	2027/28	2.6%	2028/29	2.7%	2029/30	2.7%	2030/31	2.6%			✓ The rate of inflation differs from that assumed	A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.					
2021/22	3.7%																													
2022/23	2.9%																													
2023/24	2.5%																													
2024/25	2.5%																													
2025/26	2.6%																													
2026/27	2.5%																													
2027/28	2.6%																													
2028/29	2.7%																													
2029/30	2.7%																													
2030/31	2.6%																													

¹² Ministry for the Environment 'Waste and Government' website

¹³ BERL SOLGM mid-scenario adjusters 2020: % change on previous year

Interest Rates on borrowing Assumption: Interest on borrowing is assumed to be 3.4% for new and floating debt and between 2.0% and 6.0% for fixed legacy debt.	✓	Forecast interest rates on borrowing are higher or lower than forecast	Council costs could increase or decrease as interest rates fluctuate up and down.	Council's Liability Management Policy sets the parameters for the debt portfolio. The majority of debt is required to be on fixed rates as well as maturity dates staggered. This allows Council to plan more conservatively and make necessary budget changes from time to time. Council has been conservative with interest rates payable at what it consider would be the most likely long term average, which will allow it to 'ride out' the shorter term peaks and troughs. Any significant increase in the rates beyond forecast will require Council to look at options of deferring projects and/or reducing other areas of expenditure.
Return on investments Assumptions: Bank deposits and bond portfolio assumed return is approximately 1.0%	✓	Forecast returns are higher or lower than forecast	Council income could increase or decrease as investment returns fluctuate up and down.	Council does not directly rely on investment returns to deliver its services. A reduction in returns will have the greatest effect on special funds set aside for specific purposes.
Funding Sources Assumption: Current Funding sources (including external funding sources) do not change over the first three year life of this plan. <i>Comment: Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.</i>	✓	Projected revenue from user charges or financial assistance is not achieved. Levels and sources of funding differ from those forecast.	Revenue could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year. Project and asset funding could result in projects being revised or alternative funding sources used.	Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy. There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g. extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers. Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.

Sources of Funds for Future Replacement of Significant Assets Assumption: That adequate funding will be provided to replace assets as scheduled. The sources of funds for the replacement of assets are outlined in the Revenue & Financing Policy.	✓	Levels and sources of funding differ from that provided for.	Changes to levels and/or sources of funding could result in projects being revised or alternative funding sources used.	The Council reviews its work plan annually and the Revenue & Financing Policy is reviewed every three years.
Credit availability Assumption: Credit can be obtained from financial markets on competitive terms and conditions.	✓	Required credit cannot be obtained from financial institutions	Funding would need to be obtained from alternative sources or work programmes adjusted.	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets. A credit rating is maintained.
Costs Assumption: Costs will remain stable over the period of the Long Term Plan (refer also to inflation assumption).	✓	Costs are higher or lower than anticipated	Variability of prices, such as for oil, could cause variability in costs.	The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/budgets where necessary.
Waka Kotahi - NZ Transport Agency Funding Assistance Assumption: There will be no further changes to the funding assistance approach for transport funding administered by the New Zealand Transport Agency (NZTA), including funding criteria and NZTA funding. <i>Comment: The funding assistance rate will move from 58% to 63% in year one of the LTP.</i>	✓	Changes in NZTA Subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget	Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted. If sufficient funding is not available, it may mean that projects are delayed or scrapped.	The budget is reviewed annually through the LTP/Annual Plan process and may require adjusted work programmes/budgets where necessary.
Revaluation of significant assets Assumption: The Council has a policy of revaluing some classes of assets on a three-yearly basis, as outlined in the Statement of Accounting Policies.	✓	Inflationary costs in some areas may be different than that forecasted. The condition of the assets may be different from that assumed and the value of the asset may differ accordingly.	There may be a higher or lower asset value and a lower or higher depreciation charge.	The Council will consider the impact of any change as part of the annual budget process and consider the funding implications of any cost changes.

<p>Rating Base</p> <p>Assumption: There will be no increase in the rating base over the 10 years of this LTP, given the overall stability in household numbers – specifically a projected decline in the average household size and an increase in smaller housing units as a result of a growth in the 1-2-person household numbers.</p>	✓			<p>Rating units could grow/contract at an increased rate.</p>	<p>An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates.</p>	<p>The rating base is reviewed annually when determining the rates for the year.</p>						
<p>Te Tai O Poutini District Plan</p> <p>Assumption: That the combined <i>Te Tai O Poutini</i> District Plan will be progressed and adopted in this LTP period, within the approximate timetable below¹⁴:</p> <table><tr><td>Years 1- 2 LTP 2021-2023</td><td>Information gathering Stakeholder and community consultation on draft Plan provisions</td></tr><tr><td>Year 3 LTP 2023-2024</td><td>Notification of the proposed Plan Hearing of submissions</td></tr><tr><td>Year 4 LTP 2024-2025</td><td>Decisions released on the proposed Plan Appeals to the Environment Court</td></tr></table> <p><i>Comment: The 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. The process is administered by the West Coast Regional Council and funded through a regional rate.</i></p>	Years 1- 2 LTP 2021-2023	Information gathering Stakeholder and community consultation on draft Plan provisions	Year 3 LTP 2023-2024	Notification of the proposed Plan Hearing of submissions	Year 4 LTP 2024-2025	Decisions released on the proposed Plan Appeals to the Environment Court	✓			<p>The development and adoption of the Plan takes significantly longer than scheduled.</p> <p>Delays and increased costs may occur where issues covered by the Plan are more complex than anticipated, requiring additional research and/or consultation. Appeals processes may be lengthy.</p>	<p>Delays could result in increased costs for Council and impacts on the community. For example, appropriate frameworks for urban growth and development, protection of significant sites, or management of land and assets subject to natural hazard or climate change risk may be delayed.</p> <p>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.</p>	<p>The Council is aware that extensive consultation is likely to be required on some of the more complex issues covered in the Plan, and that appeal processes in the Courts can be lengthy. The Council will remain active on the governance and technical groups collaborating on the process. The West Coast Regional Council is also carrying out extensive consultation with affected parties prior to the development of the plan.</p>
Years 1- 2 LTP 2021-2023	Information gathering Stakeholder and community consultation on draft Plan provisions											
Year 3 LTP 2023-2024	Notification of the proposed Plan Hearing of submissions											
Year 4 LTP 2024-2025	Decisions released on the proposed Plan Appeals to the Environment Court											

¹⁴ Te Tai o Poutini Plan Monthly Report 31 October 2020

Vesting of Assets Assumption: It is assumed there will be vesting of assets in Council during the LTP through subdivisions. Council is also aware of three other cases: private water supply schemes at Nelson Creek, Ahaura and Nelson Creek (not included in the LTP).			✓	More assets will be vested in Council, incurring additional cost not budgeted for.		Usually beyond Council's control and their number and value are very difficult to predict. Being brand new, unlikely to impose any significant extra costs from those generated from current AMPs over the life of this Plan. Council will consider each instance on a case by case basis and consult with the affected community if necessary.
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Prospective statement of comprehensive revenue & expenditure

	Note	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
REVENUE												
Rates revenue	1	17,892	19,679	20,857	22,110	23,435	24,840	26,331	27,911	29,586	31,360	33,243
Fees and charges		4,597	4,537	4,685	4,769	4,880	5,017	5,108	5,187	5,330	5,425	5,515
Development and financial contributions		30	30	31	31	32	32	33	34	34	35	35
Subsidies and grants	2	10,909	17,454	5,839	6,439	5,468	5,616	5,770	5,928	6,091	6,262	6,439
Interest revenue		255	142	125	121	92	103	84	82	80	64	80
Other revenue	3	399	580	680	591	606	471	393	368	479	403	385
Total revenue	4	34,082	42,422	32,217	34,061	34,513	36,079	37,719	39,510	41,600	43,549	45,697
EXPENSES												
Personnel costs	5	6,047	7,164	7,163	7,247	7,371	7,395	7,683	7,860	8,048	8,257	8,475
Depreciation and amortisation expense	6	9,333	9,718	9,278	9,549	9,563	9,576	10,298	10,311	10,325	11,135	11,398
Other expenses	7	17,421	15,340	15,501	15,722	16,022	16,212	16,279	16,651	16,930	17,365	17,646
Finance costs	8	890	1,012	1,185	1,305	1,364	1,343	1,351	1,367	1,450	1,334	1,267
Other losses		-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	9	33,691	33,235	33,127	33,824	34,320	34,526	35,611	36,190	36,752	38,090	38,786
Net surplus/(deficit) before tax		391	9,187	(910)	237	193	1,553	2,108	3,320	4,848	5,459	6,911
Income tax expense		-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		391	9,187	(910)	237	193	1,553	2,108	3,320	4,848	5,459	6,911
OTHER COMPREHENSIVE REVENUE AND EXPENSES												
Movement in asset revaluation reserve		-	54	11,482	1,077	1,094	27,896	1,017	1,032	33,123	995	947
Total comprehensive Revenue and Expense		391	9,241	10,572	1,314	1,287	29,449	3,125	4,352	37,971	6,454	7,858

Note: The cost of service statements presented in PART E: Groups of Activities do not include 'Other Comprehensive Revenue and Expenditure'. They will therefore reconcile to the 'Surplus/(deficit) after tax attributable to Grey District Council' line in the above statement.

The mandatory disclosures required for financial statements under Local Government (Financial Reporting) Regulations 2011 have been disclosed in the notes to these forecast financial statements.

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Prospective statement of changes in net assets/equity

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Equity at the beginning of the year	405,503	413,344	422,585	433,157	434,471	435,757	465,206	468,331	472,683	510,654	517,107
Comprehensive revenue and expenditure											
Net surplus/(deficit) for the year	391	9,187	(910)	237	193	1,553	2,108	3,320	4,848	5,459	6,911
Other comprehensive revenue and expenditure	-	54	11,482	1,077	1,094	27,896	1,017	1,032	33,123	995	947
Total comprehensive revenue and expense	391	9,241	10,572	1,314	1,287	29,449	3,125	4,352	37,971	6,454	7,858
Equity at the end of the year	405,894	422,585	433,157	434,471	435,757	465,206	468,331	472,683	510,654	517,107	524,965

Note: The opening balance for equity for 2021/2022 (year 1) does not match the closing equity balance for the current budget (2020/2021). This is because we have reforecast the opening balances for 2020/2021 based on more up to date information we currently have to hand. The total difference is \$7.5 million. The main reasons for the difference are: - When preparing 2021/2022 budgets, we forecast the total balance of revaluation reserves (equity) to be \$163.4 million by 30 June 2021. Based on actual results of the revaluations as at 30 June 2021, the actual balance is \$170.9 million, \$7.5 million higher. There is an equivalent difference in the total Property, Plant and Equipment (asset) value.

Prospective statement of financial position

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
ASSETS											
Current Assets											
Cash and cash equivalents	6,175	4,158	4,548	4,288	4,724	5,361	5,704	6,302	6,700	6,637	7,077
Receivables	4,324	5,047	3,558	3,920	4,253	4,145	4,335	4,461	4,680	4,966	5,111
Other financial assets	4,003	3,816	3,396	2,500	2,325	2,542	2,102	2,128	2,085	1,733	1,827
Inventory	-	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
	14,502	13,021	11,502	10,708	11,302	12,048	12,141	12,891	13,465	13,336	14,015
Non Current Assets											
Receivables	164	156	148	141	134	127	121	115	109	104	99
Property, plant and equipment	428,474	447,667	463,276	466,517	467,406	496,730	499,313	505,648	544,405	544,312	544,032
Intangible assets	217	287	287	252	217	182	147	112	77	42	7
Other financial assets*	500	477	425	312	290	318	263	267	260	217	229
Investment property	3,540	2,646	2,691	2,745	2,800	2,853	2,904	2,956	3,006	3,057	3,106
	432,895	451,233	466,827	469,967	470,847	500,210	502,748	509,098	547,857	547,732	547,473
TOTAL ASSETS	447,397	464,254	478,329	480,675	482,149	512,258	514,889	521,989	561,322	561,068	561,488

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	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
LIABILITIES											
Current Liabilities											
Payables	4,487	5,542	4,427	4,201	4,034	4,153	4,337	4,823	4,983	4,518	4,565
Employee entitlements	573	601	607	615	623	630	642	651	662	673	684
Deferred revenue	212	212	212	212	212	212	212	212	212	212	212
Borrowings	5,000	5,000	-	5,000	7,500	5,000	-	10,000	7,500	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	10,272	11,355	5,246	10,028	12,369	9,995	5,191	15,686	13,357	5,403	5,461
Non Current Liabilities											
Provisions	1,867	2,011	1,963	1,915	1,867	1,819	1,771	1,723	1,675	1,627	1,579
Employee entitlements	452	457	462	467	472	477	482	487	492	497	502
Borrowings	28,912	27,846	37,501	33,794	31,686	34,761	39,114	31,411	35,144	36,434	28,981
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	31,231	30,314	39,926	36,176	34,025	37,057	41,367	33,621	37,311	38,558	31,062
TOTAL LIABILITIES	41,503	41,669	45,172	46,204	46,394	47,052	46,558	49,307	50,668	43,961	36,523
EQUITY											
Retained earnings	234,860	270,394	269,805	270,640	270,537	271,363	273,579	276,560	280,964	286,064	292,296
Special Funds	7,337	5,925	5,601	5,000	5,292	6,016	5,905	6,241	6,682	7,037	7,713
Trusts Bequests and Other Reserves	258	266	269	272	275	278	281	284	287	290	293
Revaluation reserve	163,439	146,000	157,482	158,559	159,653	187,549	188,566	189,598	222,721	223,716	224,663
Total equity attributable to the Council	405,894	422,585	433,157	434,471	435,757	465,206	468,331	472,683	510,654	517,107	524,965
TOTAL EQUITY AND LIABILITIES	447,397	464,254	478,329	480,675	482,151	512,258	514,889	521,990	561,322	561,068	561,488

Prospective statement of cash flows

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from rates revenue	17,815	19,649	20,844	22,120	23,414	24,840	26,300	27,899	29,542	31,336	33,186
Interest received	300	168	132	123	97	102	87	83	81	67	77
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Receipts from other revenue	15,728	21,498	12,995	12,047	11,736	11,425	11,632	11,793	12,222	12,747	12,978
Payments to suppliers and employees	(23,106)	(22,945)	(23,079)	(23,351)	(23,772)	(23,806)	(24,363)	(24,911)	(25,397)	(26,035)	(26,558)
Interest paid	(890)	(1,012)	(1,185)	(1,305)	(1,364)	(1,343)	(1,351)	(1,367)	(1,450)	(1,334)	(1,267)
Income tax paid (refund)	-	-	-	-	-	-	-	-	-	-	-
Goods and services tax (net)	128	(12)	8	(81)	(62)	(23)	(15)	55	(26)	(190)	(74)
Net cash from operating activities	9,976	17,346	9,714	9,553	10,048	11,195	12,290	13,551	14,972	16,591	18,341
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from investments	12,582	10,656	9,769	7,851	6,560	6,714	6,249	5,797	5,756	5,139	4,896
Purchase of property, plant and equipment	(13,744)	(22,305)	(14,440)	(12,106)	(10,199)	(10,867)	(11,774)	(15,198)	(15,835)	(10,815)	(10,315)
Acquisition of investments	(10,956)	(10,446)	(9,297)	(6,842)	(6,363)	(6,959)	(5,754)	(5,827)	(5,706)	(4,744)	(5,002)
Net cash from investing activities	(12,118)	(22,095)	(13,968)	(11,097)	(10,002)	(11,112)	(11,279)	(15,228)	(15,785)	(10,420)	(10,421)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	5,367	9,424	10,649	2,633	6,871	9,508	5,698	3,599	12,656	7,570	70
Repayment of borrowings	(5,137)	(6,692)	(6,005)	(1,350)	(6,481)	(8,953)	(6,365)	(1,324)	(11,445)	(13,804)	(7,549)
Net cash from financing activities	230	2,732	4,644	1,283	390	555	(667)	2,275	1,211	(6,234)	(7,479)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,912)	(2,017)	391	(261)	436	637	343	597	398	(63)	441
Cash, cash equivalents and bank overdrafts at the beginning of the year	8,087	6,175	4,158	4,548	4,288	4,724	5,361	5,704	6,302	6,700	6,637
Cash, cash equivalents and bank overdrafts at the end of the year	6,175	4,158	4,548	4,288	4,724	5,361	5,704	6,302	6,700	6,637	7,077

Notes to the prospective financial statements

Note 1: Budgeted rates revenue

Total rates (excluding targeted water supply rates)

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
GENERAL RATES											
General Rates - Uniform Annual General Charge	3,533	4,370	4,366	4,448	4,585	4,797	7,070	8,037	9,159	9,363	6,287
General Rates - set on land value	7,154	8,293	8,551	9,322	10,387	11,506	10,603	10,730	11,026	12,608	17,346
Total General Rates	10,687	12,663	12,917	13,770	14,972	16,303	17,673	18,767	20,185	21,971	23,633
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:											
Economic development	202	129	129	129	129	129	129	129	129	129	129
Refuse Collection	1,400	1,376	1,875	1,913	1,949	1,984	2,020	2,054	2,089	2,125	2,159
Sewerage Collection	2,570	2,698	2,777	3,109	3,091	2,940	2,998	3,327	3,409	3,216	3,289
Water Supplies	2,570	2,350	2,691	2,716	2,816	3,001	3,023	3,142	3,277	3,417	3,526
Water Meter Rates	250	250	255	260	265	270	275	279	284	289	294
PENALTIES											
Rate Penalties	213	213	213	213	213	213	213	213	213	213	213
Total rates, excluding targeted water supply rates	17,892	19,679	20,857	22,110	23,435	24,840	26,331	27,911	29,586	31,360	33,243

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Rates, excluding targeted water supply rates	17,892	19,679	20,857	22,110	23,435	24,840	26,331	27,911	29,586	31,360	33,243

Lump sum contributions	-											-
Total annual rates income	17,892	19,679	20,857	22,110	23,435	24,840	26,331	27,911	29,586	31,360	33,243	

Total rates remissions

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year	LTP Year
	Plan	1	2	3	4	5	6	7	8	9	10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Rates on land where GDC is the ratepayer	458	504	534	566	600	636	674	714	757	802	850
Rate discounts	45	49	52	55	58	61	65	69	73	77	82
Rates remitted per Council policy	43	47	50	53	56	59	63	67	71	75	80
Total rates remitted	546	600	636	674	714	756	802	850	901	954	1,012

Note 2: Budgeted subsidies and grants

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
New Zealand Transport Agency subsidies	4,031	4,995	5,268	5,257	5,293	5,436	5,586	5,741	5,900	6,065	6,236
NZ Lottery Grants	-	-	-	-	-	-	-	-	-	-	-
Other grants and subsidies	6,878	12,459	571	1,182	175	180	184	187	191	197	203
Total subsidies and grants	10,909	17,454	5,839	6,439	5,468	5,616	5,770	5,928	6,091	6,262	6,439

Note 3: Budgeted other revenue

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Traffic and parking infringements	48	33	33	34	34	35	36	36	37	38	38
Petrol tax	155	155	158	161	164	167	170	173	176	179	182
Dividends	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) of non current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	55	65	50	55	58	48	68	38	40	58	32
Investment property revaluation gains	-	54	45	54	55	53	51	52	50	51	49
Assets Vested	-	-	-	-	-	-	-	-	-	-	-
Other	141	273	394	287	295	168	68	69	176	77	84
Total other income	399	580	680	591	606	471	393	368	479	403	385

Note 4: Budgeted revenue by activity

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Land transport	6,512	13,095	8,872	9,460	8,841	9,092	8,834	9,521	9,787	10,065	10,355
Stormwater	1,361	1,470	1,322	1,663	2,008	3,395	2,340	2,342	2,442	2,716	3,645
Wastewater	2,641	2,839	2,869	3,203	3,187	3,038	3,097	3,428	3,512	3,321	3,395
Water Supply	4,793	7,040	2,946	2,976	3,081	3,271	3,298	3,421	3,561	3,706	3,820
Solid waste management	2,287	2,518	3,050	3,444	3,520	3,507	3,408	3,481	3,559	3,641	3,649
Emergency management	244	244	152	154	157	385	411	429	447	466	488
Environmental services	2,316	2,930	2,951	2,947	3,034	2,932	3,167	3,206	3,313	3,370	3,487
Commercial and Property	6,311	4,307	2,608	2,599	2,894	2,626	3,450	2,928	3,105	4,228	7,593
Community & Recreation	5,970	6,513	6,000	6,120	6,271	6,421	8,552	9,607	10,691	10,883	8,051
Democracy and administration	8,381	9,215	9,765	9,871	10,112	9,680	10,337	10,561	10,761	10,995	11,272
Total activity income	40,816	50,171	40,535	42,437	43,105	44,347	46,894	48,924	51,178	53,391	55,755
<i>less Internal charges and overheads recovered</i>	6,734	7,414	8,100	8,128	8,370	7,789	8,699	8,891	9,066	9,282	9,505
Total Income	34,082	42,757	32,435	34,309	34,735	36,558	38,195	40,033	42,112	44,109	46,250

Note 5: Budgeted employee expenses

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Wages and salaries	5,745	6,805	6,804	6,885	7,002	7,025	7,299	7,467	7,646	7,844	8,051
Contributions to defined contribution plans	242	287	287	290	295	296	307	314	322	330	339
Increase/(decrease) in employee benefit liabilities	60	72	72	72	74	74	77	79	80	83	85
Total employee expenses	6,047	7,164	7,163	7,247	7,371	7,395	7,683	7,860	8,048	8,257	8,475

Note 6: Budgeted depreciation and amortisation expense

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Land transport	4,551	4,551	4,551	4,692	4,692	4,692	5,117	5,117	5,117	5,575	5,575
Stormwater	776	704	704	728	728	728	780	780	780	849	849
Wastewater	1,052	1,506	1,052	1,088	1,088	1,088	1,166	1,166	1,166	1,269	1,269
Water Supply	549	549	549	567	567	567	608	608	608	662	662
Solid waste management	159	159	163	166	169	172	175	178	181	184	187
Environmental services	8	8	8	8	8	8	8	8	8	8	8
Commercial and Property	593	593	596	609	612	615	650	652	655	690	693
Community & Recreation	1,383	1,386	1,389	1,418	1,421	1,423	1,506	1,508	1,510	1,592	1,844
Democracy and administration	262	262	268	273	278	283	288	294	299	305	311
Total depreciation and amortisation	9,334	9,718	9,278	9,549	9,563	9,576	10,298	10,311	10,325	11,135	11,398

Note 7: Budgeted other expenses

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Fees to principal auditor											
Audit of financial statements	114	114	116	119	121	123	125	127	130	132	134
Long Term Plan (LTP) audit	40	-	-	40	-	-	45	-	-	50	-
Audit fee paid on behalf of West Coast Recreation Trust	-	-	-	-	-	-	-	-	-	-	-
Assets written off	-	-	-	-	-	-	-	-	-	-	-
Impairment of asset expense	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	28	25	26	27	28	29	30	31	32	33	34
Directors' fees	-	-	-	-	-	-	-	-	-	-	-
Grants & Donations	362	221	371	371	371	222	222	222	222	223	223
Movement in impairment of receivables	-	-	-	-	-	-	-	-	-	-	-
Movement in provision for financial guarantee	-	-	-	-	-	-	-	-	-	-	-
Insurance expenses	613	926	940	959	977	995	1,013	1,030	1,047	1,065	1,082
Loss on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Remuneration of elected members	358	358	365	372	380	386	393	400	407	414	420
Minimum lease payments under operating leases	293	259	265	270	262	267	272	277	281	286	291
Other operating expenses	15,613	13,437	13,418	13,564	13,883	14,190	14,179	14,564	14,811	15,162	15,462
Total other expenses	17,421	15,340	15,501	15,722	16,022	16,212	16,279	16,651	16,930	17,365	17,646

Note 8: Budgeted finance costs

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
INTEREST EXPENSE											
Interest on borrowings	890	1,012	1,185	1,305	1,364	1,343	1,351	1,367	1,450	1,334	1,267
FAIR VALUE (GAINS) / LOSSES ON DERIVATIVES											
Interest Rate Swap (fair value hedges)	-	-	-	-	-	-	-	-	-	-	-
Total finance costs	890	1,012	1,185	1,305	1,364	1,343	1,351	1,367	1,450	1,334	1,267

Note 9: Budgeted expenditure by activity

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
Land transport	7,760	8,233	8,260	8,456	8,556	8,652	9,175	9,280	9,386	9,958	10,078
Stormwater	1,457	1,507	1,531	1,581	1,607	1,637	1,721	1,758	1,796	1,902	1,925
Wastewater	2,870	3,616	3,137	3,243	3,267	3,289	3,386	3,411	3,438	3,570	3,593
Water Supply	2,147	2,434	2,441	2,463	2,496	2,530	2,604	2,644	2,689	2,790	2,834
Solid waste management	2,132	2,432	2,921	3,046	3,205	3,215	3,258	3,313	3,373	3,434	3,495
Environmental services	2,383	2,778	2,884	2,911	2,957	2,655	2,845	2,898	2,959	3,029	3,095
Commercial and Property	1,345	2,943	3,132	3,201	3,253	3,280	3,409	3,432	3,482	3,585	3,592
Community & Recreation	6,286	7,039	6,929	7,099	7,128	7,279	7,455	7,658	7,802	7,977	8,289
Democracy and administration	8,700	9,667	9,991	9,953	10,222	9,779	10,457	10,686	10,892	11,127	11,392
Total activity expenditure	35,080	40,649	41,227	41,952	42,690	42,315	44,310	45,081	45,818	47,372	48,291
<i>less Internal charges and overheads recovered</i>	6,734	7,414	8,100	8,128	8,370	7,789	8,699	8,891	9,066	9,282	9,505
Total Expenditure	28,346	33,235	33,127	33,824	34,320	34,526	35,611	36,190	36,752	38,090	38,786

Statement of movement in Council special funds (reserve funds)

Reserve	Activities to which the reserve relates	Opening Balance 1 July 2021	Transfers to Reserve 2021/22 - 2030/21 (Deposits)	Transfers from Reserve 2021/22 - 2030/21 (Withdrawals)	Closing Balance 30 June 2031
		\$000	\$000	\$000	\$000
SPECIAL FUNDS					
Greymouth Sewerage Fund	Wastewater	-	-	-	-
Te Kinga Infrastructure Upgrade Reserve	All activities	96	7	-	103
Rural Sewerage Capital Works Reserve	Wastewater	297	23	-	320
Cobden Stormwater Mitigation Reserve	Stormwater	54	4	-	58
Barrytown Area Infrastructure Reserve	All activities	64	5	-	69
Atarau Area Infrastructure Reserve	All activities	-	-	-	-
Ahaura Area Infrastructure Reserve	All activities	178	14	-	192
Hauipiri Area Infrastructure Reserve	All activities	123	9	-	132
Nelson Creek Infrastructure Reserve	All activities	19	1	-	20
Ngahere Infrastructure Reserve	All activities	205	16	-	221
Runanga Area Infrastructure Reserve	All activities	630	49	-	679
Kaiata Stillwater Area Infrastructure Reserve	All activities	144	11	-	155
Karoro Infrastructure Development Reserve	All activities	679	52	-	731
South Beach/Paroa Infrastructure Reserve	All activities	440	34	-	474
Camerons Infrastructure Reserve	All activities	83	6	-	89
Gladstone Infrastructure Reserve	All activities	218	17	-	235
Arnold Valley Area Infrastructure Reserve	All activities	90	7	-	97
Lake Brunner Area Infrastructure Reserve	All activities	169	13	-	182
Hohonu Area Infrastructure Reserve	All activities	41	3	-	44
Infrastructure Renewal Reserve	All activities	156	465	-	621
Flood Protection Reserve	Stormwater/Flood protection	123	9	-	132
Cemetery Extension Reserve	Cemeteries	52	4	-	56
Cemetery Maintenance Reserve	Cemeteries	387	178	(170)	395
Footpath Reserve	Land transport	66	5	-	71
Roading Reserve	Land transport	255	(884)	-	(629)
Land Fill Reserve	Solid waste management	76	111	-	187
Airport Maintenance Reserve	Airport	676	530	-	1,206
Disaster Recovery Reserve	All activities	258	1,683	-	1,941
Civil Defence Reserve	Emergency management	-	-	-	-
Rural Fire Authority Reserve	Rural fire authority	1	-	-	1

Reserve	Activities to which the reserve relates	Opening Balance 1 July 2021	Transfers to Reserve 2021/22 - 2030/31 (Deposits)	Transfers from Reserve 2021/22 - 2030/31 (Withdrawals)	Closing Balance 30 June 2028
		\$000	\$000	\$000	\$000
Economic Development Reserve	All activities	-	76	(60)	16
Harbour Endowment Land Sales Reserve	Port	80	6	-	86
Land Sale Reserve	All activities	(179)	(141)	(200)	(520)
Reserves Subdivision Contributions	Community facilities and parks	50	(50)	(184)	(184)
Maori Land Compensation Reserve	Council property	132	3	(220)	(85)
Town Clock Reserve	Community facilities and parks	24	2	-	26
Gas Management Plan Reserve	Council property	18	1	-	19
District Planning Reserve	District planning	4	-	-	4
Plant and Machinery Reserve	All activities	412	875	(1,109)	178
Building & Property Gen Reserve	Council property	165	(539)	(337)	(711)
General Reserve	All Activities	-	-	-	-
Corp Equip and Furniture Reserve	Council administration	736	374	(1,010)	100
Staff Costs Reserve	Council administration	50	4	-	54
Sunshine Coach Reserve	Council administration	7	1	-	8
Rental Housing Reserve	Retirement housing	239	183	-	422
Library Reserve	Libraries	19	53	-	72
Committed Expenditure	All activities	3,204	-	(2,323)	881
Total special funds		10,541	3,220	(5,613)	7,267
TRUSTS AND BEQUESTS					
McGlashan Trust	Community facilities and parks	19	1	-	20
E White Bequest	Community facilities and parks	43	3	-	46
Mayoral Flood Relief Fund	Democracy	8	1	-	9
Citizens Emergency Relief Fund	Democracy	73	33	(27)	79
Thomas Dehenny Bequest	Community facilities and parks	-	-	-	-
Peters Bequest - Talking Books	Libraries	10	-	(20)	(10)
Vera Corbett Bequest	Libraries	52	(52)	-	-
Total trusts and bequests		205	(14)	(47)	144
TOTAL SPECIAL FUNDS AND TRUSTS/BEQUESTS		10,746	3,206	(5,660)	7,411

Special fund purposes

SPECIAL FUNDS	
Greymouth Sewerage Fund	To fund the wider Greymouth Area Sewerage Scheme.
Te Kinga Infra Upgrade Reserve	To fund land transport, water, and/or wastewater infrastructure upgrades required in the Te Kinga area.
Rural Sewerage Capital Works Reserve	To fund enhancement and development sewerage schemes other than the Greymouth Area scheme.
Cobden Stormwater Mitigation Reserve	To fund enhancement of stormwater management in Cobden.
Barrytown Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Atarau Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ahaura Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Haupiri Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ngahere Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Blackball Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Runanga Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Kaiata Stillwater Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro/Gladstone Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro Infrastructure Development Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
South Beach/Paroa Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Camerons Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Gladstone Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Arnold Valley Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Lake Brunner Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Hohonu Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Infra Renewal Reserve	To fund expenditure in connection with deferred maintenance, major maintenance and renewal in respect of land transport (including footpaths), wastewater, water supply, stormwater and solid waste
Moana Water Supply	To fund any design options for a reticulated water supply servicing Moana (not signalled in this plan).
Flood Protection Reserve	To fund capital works to enhance flood protection measures in the District for which Council is responsible for.
Cemetery Extension Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Cemetery Maintenance Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Footpath Reserve	To fund the development or renewal of footpaths in the District (land transport activity).
Roading Reserve - Expenditure Committed	To spread funding of key roading (land transport) renewal projects, given that they do not have an equal funding requirement year to year.
Land Fill Reserve	to fund capital works required for solid waste management

Airport Maintenance Reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Airport Runway resealing reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Disaster Recovery Reserve	To fund Council's excess on the loss of Council assets in the event of a major disaster (all activities).
Civil Defence Reserve	To fund any extraordinary expenditure associated with providing Council's emergency management function.
Rural Fire Authority Reserve	To fund the expenditure associated with major rural fires and any significant renewals capital expenditure required for the rural fire activity.
Economic Development Reserve	To fund economic development, including a share of land transport, wastewater, water supply, and stormwater development expenditure incurred via subdivision.
Harbour Endowment LS Reserves	To fund any operating deficits of port related activities
Land Sale Reserve	To fund purchase of land, key strategic assets and obtaining fee simple ownership of leasehold property; and to fund other significant projects as decided by Council as part of the Annual Plan.
Reserves Subdivision Contributions	To fund the creation of new recreational areas/reserves.
Maori Land Compensation Reserve	To fund part of the rent increases on land leased from the Mawhera Incorporation (all activities with associated leases).
TDS Reserve	To fund a portion of any projects that may arise as a result of the Town Development Strategy.
Town Clock Reserve	To fund renewal/major maintenance of town clock.
Gas Management Plan Reserve	To fund a portion of any associated costs of identifying and mitigating effects of any land associated with historic gasworks.
District Planning Reserve	To fund any large costs arising from District Plan reviews or one-off projects associated with planning and regulations.
Plant and Machinery Reserve	To replace existing plant (vehicles), or effect major maintenance to existing plant.
Building & Property Gen Reserve	To fund major maintenance and renewal of Council buildings and associated facilities excluding dedicated reserves (property activity).
Corp Equip and Furniture Reserve	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
Staff Costs Reserve	To fund the cost of recruiting and replacing staff (all activities)
Sunshine Coach Reserve	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' Recreation Centre
Library Reserve	To fund any key maintenance work or equipment upgrades required at Council's District library.
Special Funds - Committed Expenditure	Holds amounts already committed by Council from other Special Funds, but not yet spent
Port Plant Renewal	To replace existing port operational plant or effect major maintenance to existing port operational plant.
CWS Ltd Share Sale Reserve	General purpose reserve available for use in any Council activities.

Summary of significant accounting policies

Reporting entity

Grey District Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

Council has one associate: West Coast Amateur Sports Trust.

All associates are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The prospective financial statements of Council were authorised for issue by Council on 14 April 2021.

Basis of preparation

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards (PBE Standards) and authoritative notices that are applicable to entities that apply PBE Standards.

Council is classified as a Tier 2 reporting entity but has elected to report under Tier 1 and it applies full PBE Standards. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, and certain financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$'000) where indicated. The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus/deficit.

Associates

An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Council investments in associates are carried at cost in Council's own "parent entity" financial statements in accordance with PBE IPSAS 7.19(c).

Joint ventures

Joint ventures are those entities, assets or operations over which the Council has joint control, established by contractual agreement. The consolidated financial statements include the Council's proportionate share of the joint venture entities' assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date joint control ceases.

Accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cash flows for Council have been applied:

Revenue

Revenue comprises of the items below and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value

from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates

Rates Revenue is recognised by Council as being revenue on the due date of each instalment. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and are therefore defined as non-exchange.

Water billing revenue is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

Subsidies and grants

Waka Kotahi New Zealand Transport Agency financial assistance is recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and subsidies are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Other bequests, and assets vested in Council — with or without conditions — are recognised as revenue when control over the assets is obtained.

Insurance proceeds

Insurance proceeds are recognised as revenue when the compensation becomes receivable. Claims accepted after balance date are not recognised where their receipt was not virtually certain.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Finance revenue

Interest revenue is included in finance revenue in the statement of comprehensive revenue and expense and recognised using the effective interest method.

Other revenue

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue.

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised. Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment property lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities and are recognised as exchange revenue.

Vested Asset Revenue is recognised as non-exchange revenue when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. Movement in the fair value in interest rate swaps are recognised as a finance expense/revenue through the surplus/deficit.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Financial assets

Council classifies its financial assets into the following three categories: held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus/deficit in which case the transaction costs are recognised in the surplus/deficit.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus/deficit as a grant.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, net asset booking, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

1. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus/deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

2. Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus/deficit.

Investments in this category include fixed term deposits and bonds.

3. Financial assets at fair value through the surplus or deficit

Derivatives held by Council are categorized in this group unless they are designated as hedges. After initial recognition, they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus/deficit. Council uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

4. Financial assets at fair value through other comprehensive revenue and expense are those that are not designated as fair value through equity or are not classified in any of the other categories above

This category encompasses investments that Council intends to hold long-term but which may be realised before maturity.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be reclassified and recognised in surplus/deficit even though the asset has not been derecognised.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

At each balance date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. The total impairment loss is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Accounts receivable

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted, when applicable, for any loss of service potential.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

1. Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

2. Other fixed assets

These include land, buildings and breakwater and wharves.

Vested assets

Vested assets are those assets where ownership and control is transferred to the Council from a third party (e.g. infrastructure assets constructed by developers and transferred to the

Council on completion of a subdivision). Vested assets are recognised within their respective asset classes.

Heritage assets

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these financial statements to the extent their value can be reliably measured.

3. Service Concession Assets

Assets used to provide public services in a service concession arrangement.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Recognition and measurement

Shown at cost or valuation, less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS are measured on the basis of deemed cost, being the revalued amount at the date of transition.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired in a non-exchange transaction at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus/deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSET CLASS	DEPRECIATION METHOD	LIFE (YEARS)	%
Buildings:			
- Structure	Straight line	40 - 50	2.0 – 2.5
- Fit Out	Straight line	10	5.0-10
- Services	Straight line	15 - 30	3.33 – 6.67
- Sundry (e.g. car parking)	Straight line	10	10
Aerodrome	Straight line	10 - 75	1.33 - 10
Plant and machinery	Straight line	3 – 30	3 – 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 – 8	12.5 – 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 – 50	2 – 2.5
Reserve board assets	Not depreciated	-	-
Landfill sites	Straight line	10 – 50	2 – 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems:			
- Pipe network	Straight line	50 – 100	1 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10
- Reservoirs	Straight line	60 – 80	1.67 – 10
Drainage and sewerage:			
- Pipe network	Straight line	50 – 100	1 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks:			
- Formation	Not depreciated	-	-
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.25

ASSET CLASS	DEPRECIATION METHOD	LIFE (YEARS)	%
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	8 – 16	6.25 – 12.5
- Kerb and channelling	Straight line	50 – 150	0.67 – 2
- Bridges	Straight line	15 – 100	2 – 6.67
- Footpaths	Straight line	15 – 80	2 – 6.67
- Drainage: surface water channels	Straight line	10 – 80	1.25 – 10
- Drainage: culverts and catch pits	Straight line	50 – 150	0.67 – 2
- Traffic signs and pavement marking	Straight line	5 – 15	0.67 – 20
- Streetlights	Straight line	22 – 40	2.5 – 4
Flood protection scheme	Straight line	100	1
Parking developments	Straight line	50	2
Sports fields and parks (improvements)	Straight line	5 – 100	1 – 20
Work in progress	Not depreciated	-	-

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

The measurement base for each class of asset is described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Valuation

INFRASTRUCTURAL ASSETS	VALUATION BASIS
Roading network	Optimised depreciated replacement cost
Land under roads	Deemed cost
Stormwater	Optimised depreciated replacement cost
Flood protection system	Depreciated historical cost
Sewerage	Optimised depreciated replacement cost
Water supply systems	Optimised depreciated replacement cost
Landfill Site	Depreciated historical cost

FIXED ASSETS	VALUATION BASIS
General land	Fair value
Other land	Historical cost
Buildings	Fair value
Plant and machinery	Depreciated historical cost
Furniture and fittings	Depreciated historical cost
Computer equipment	Depreciated historical cost
Library stocks	Depreciated historical cost
Breakwater and wharves	Depreciated historical cost
Aerodrome	Fair value
Parking developments	Depreciated historical cost
Reserve Board Assets	Historical value
Sports fields and parks	Deemed cost
Heritage assets	Deemed cost

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus/deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus/deficit will be recognised first in the surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described above. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus/deficit.

Service Concession Arrangement

A service concession arrangement is a binding arrangement between a grantor and an operator, in which:

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement

Council is a grantor in a service concession arrangement concerning the Civic Centre. The building is recognised and measured as a separate class within property plant and equipment – please refer to accounting policy in above.

Council analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. Council recognises that asset when, and only when:

- Council controls or regulates the services that the operator must provide using the asset, to whom the operator must provide these services, and at what price; and
- In the case of assets other than 'whole-of-life' assets, Council controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognised are measured initially at their fair value and are recognised as a separate asset class within property, plant and equipment or intangible assets, as appropriate. Subsequent to initial recognition, service concession assets are measured using either the cost model or the revaluation model, as per PBE IPSAS 17 or PBE IPSAS 31.

PBE IPSAS 32 requires the grantor (public entity) to recognise the service concession asset and a corresponding liability on its statement of financial position. The liability can be a financial or other liability or a combination of the two depending on the nature of the compensation of the operator. A financial liability is recognised if the grantor compensates the operator by the delivery of cash or another financial asset. A non-financial liability is recognised if a right is granted to the operator to charge the users of the public service related to the service concession asset (liability for unearned revenue).

Impairment of non-financial assets

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus/deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus/deficit, a reversal of the impairment loss is also recognised in the surplus/deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus/deficit.

Trade and other payables

Short-term creditors and other payables are recorded at their face value.

Employee benefits

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 5.0% and an inflation factor of 2.5% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Landfill post closure costs

Council has a legal obligation under its resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognized as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rates applied are 0.22% - 2.72%.

Financial guarantees

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity (Retained earnings)
- Special funds reserves
- Trusts, bequests and other reserves
- Asset revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Goods and service tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

Please refer to PART E: Significant forecasting assumptions applied in the preparation of this plan for a full list of key assumptions and their potential effects.

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

The cash outflows for landfill post-closure are expected to occur between 2018 and 2048. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 6%.

Financial guarantees

The Council has agreed to act as a sole guarantor for a Westurf Recreation Trust loan, up to a maximum of \$200,000, for the purposes of upgrading their artificial turf at the Greymouth Hockey Stadium. This is contingent on final Council satisfaction on the project being financially sustainable. As at balance date the trust has not yet proceeded with uplifting of a loan, and has indicated to Council that they are unlikely to require the loan.

Infrastructural assets

There are a number of assumptions and estimates used when performing Optimised Depreciation Replacement Cost (ODRC) valuations over infrastructural assets and property carried at fair value. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus/deficit. To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based

on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers peer review Council's infrastructural asset revaluations.

Critical judgements in applying Council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for these forecast financial statements:

1. Classification of property

Council owns a number of properties, which are maintained primarily to provide housing to elderly persons. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy. These properties are accounted for as property, plant and equipment.

2. Classification of leases

Council is the lessor on a large number of leases which include terms where the lessee can extend the lease into perpetuity. Council has determined that the risks and rewards of ownership is retained by the Grey District Council and therefore have classified the leases as operating leases.

3. Classification of property

Council's leasehold property has been classified as Investment Property as the primary purpose is to earn rental revenue for the Council and is not directly related to service delivery.

Cost of service statements

The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

Statement of cash flows

The following are the definitions of terms used in the statement of cash flows:

- "Operating Activities" include cash received from all revenue sources of Council and record the cash payments made for the supply of goods and services.
- "Investing Activities" are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.
- "Financing Activities" are those activities change the equity and debt capital structure of Council.
- "Cash" is considered to be cash on hand and cash at bank, and on-call deposits, net of overdrafts.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Impairment of revalued assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards.

Funding impact statement and rates required

Summary of overall required funding

The following statement sets out the total application of funds and the revenue and financing mechanisms to be used by Council, including the estimated amount (GST exclusive) to be produced by each mechanism:

	2021 Annual Plan \$000	2022 LTP Year 1 \$000	2023 LTP Year 2 \$000	2024 LTP Year 3 \$000	2025 LTP Year 4 \$000	2026 LTP Year 5 \$000	2027 LTP Year 6 \$000	2028 LTP Year 7 \$000	2029 LTP Year 8 \$000	2030 LTP Year 9 \$000	2031 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	10,900	12,876	13,130	13,983	15,185	16,516	17,886	18,980	20,398	22,184	23,846
Targeted rates	6,992	6,894	7,793	8,221	8,315	8,418	8,510	9,025	9,253	9,270	9,462
Subsidies and grants for operating purposes	5,954	3,052	2,229	2,221	2,277	2,334	2,395	2,457	2,521	2,588	2,659
Fees and charges	4,597	4,537	4,685	4,769	4,880	5,017	5,108	5,187	5,330	5,425	5,515
Internal charges and overheads recovered	6,734	7,414	8,100	8,128	8,370	7,789	8,699	8,891	9,066	9,282	9,505
Local authorities fuel tax, fines, infringement fees, & other receipts	599	711	710	711	695	473	460	464	469	460	482
Total operating funding [A]	35,776	35,484	36,647	38,033	39,722	40,547	43,058	45,004	47,037	49,209	51,469
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	23,792	22,787	23,095	23,380	23,816	23,809	24,408	24,966	25,444	26,100	26,606
Finance costs	890	1,012	1,185	1,305	1,364	1,343	1,351	1,367	1,450	1,334	1,267
Internal charges and overheads applied	6,411	7,132	7,668	7,718	7,947	7,587	8,254	8,435	8,599	8,804	9,019
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	31,092	30,930	31,949	32,403	33,128	32,739	34,012	34,769	35,493	36,238	36,893
Surplus (deficit) of operating funding [A - B]	4,684	4,554	4,698	5,630	6,594	7,808	9,046	10,235	11,544	12,971	14,576
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	4,955	14,402	3,610	4,218	3,191	3,282	3,375	3,471	3,570	3,674	3,780
Development and financial contributions	30	30	31	31	32	32	33	34	34	35	35
Increase (decrease) in debt	2,764	2,743	4,655	1,293	392	575	(647)	2,297	1,233	(6,210)	(7,453)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	7,749	17,175	8,296	5,542	3,615	3,889	2,761	5,802	4,837	(2,501)	(3,638)

[D] APPLICATIONS OF CAPITAL FUNDING

Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	4,759	8,173	3,259	1,598	1,325	723	693	761	597	373	198
—to replace existing assets	9,522	15,356	10,058	10,174	8,601	10,239	11,212	14,927	15,329	9,726	10,046
Increase (decrease) in reserves	(1,848)	(1,801)	(321)	(598)	295	727	(108)	339	444	358	679
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	12,433	21,727	12,995	11,174	10,221	11,689	11,797	16,027	16,370	10,456	10,923
Surplus (deficit) of capital funding [C – D]	(4,684)	(4,552)	(4,699)	(5,632)	(6,606)	(7,800)	(9,036)	(10,225)	(11,533)	(12,957)	(14,561)
Funding balance: [A – B] + [C – D]	-	1	(1)	(1)	(12)	8	10	10	10	14	15

The total of the revenue sources expected are shown in the Budgeted Statement of Comprehensive Revenue and Expenditure and information is also shown in each Group of Activities Budgeted Cost of Service Statement.

Reconciliation of funding impact statement to prospective statement of comprehensive revenue and expenditure

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Surplus (deficit) of operating funding	4,684	4,554	4,698	5,630	6,594	7,808	9,046	10,235	11,544	12,971	14,576
add sources of capital funding recognised as revenue in statement of comprehensive income											
Subsidies and grants for capital expenditure	4,955	14,402	3,610	4,218	3,191	3,282	3,375	3,471	3,570	3,674	3,780
Development and financial contributions	30	30	31	31	32	32	33	34	34	35	35
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
adjust for other sources of non cash items excluded from the funding impact statement											
Depreciation and amortisation expense	(9,333)	(9,718)	(9,278)	(9,549)	(9,563)	(9,576)	(10,298)	(10,311)	(10,325)	(11,135)	(11,398)
Net gain (loss) of non current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	55	65	50	55	58	48	68	38	40	58	32
Assets Vested	-	(54)	45	(54)	(55)	53	(51)	(52)	50	(51)	(49)
Surplus / deficit after tax attributable to Grey District Council	391	9,278	(844)	331	258	1,647	2,173	3,414	4,913	5,553	6,976

Financial reporting and prudence disclosures

The Government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

These measures allow for comparison of financial performance with other Councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Grey District Council's results with other Councils' due to their size, location and provision of services.

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[a] Rates affordability benchmark

Council meets the rates affordability benchmark if:

- Actual or planned rates revenue for the year equals or is less than each quantified limit on rates; and
- Actual or planned rates increases for the year equal or are less than each quantified limit on rates increases.

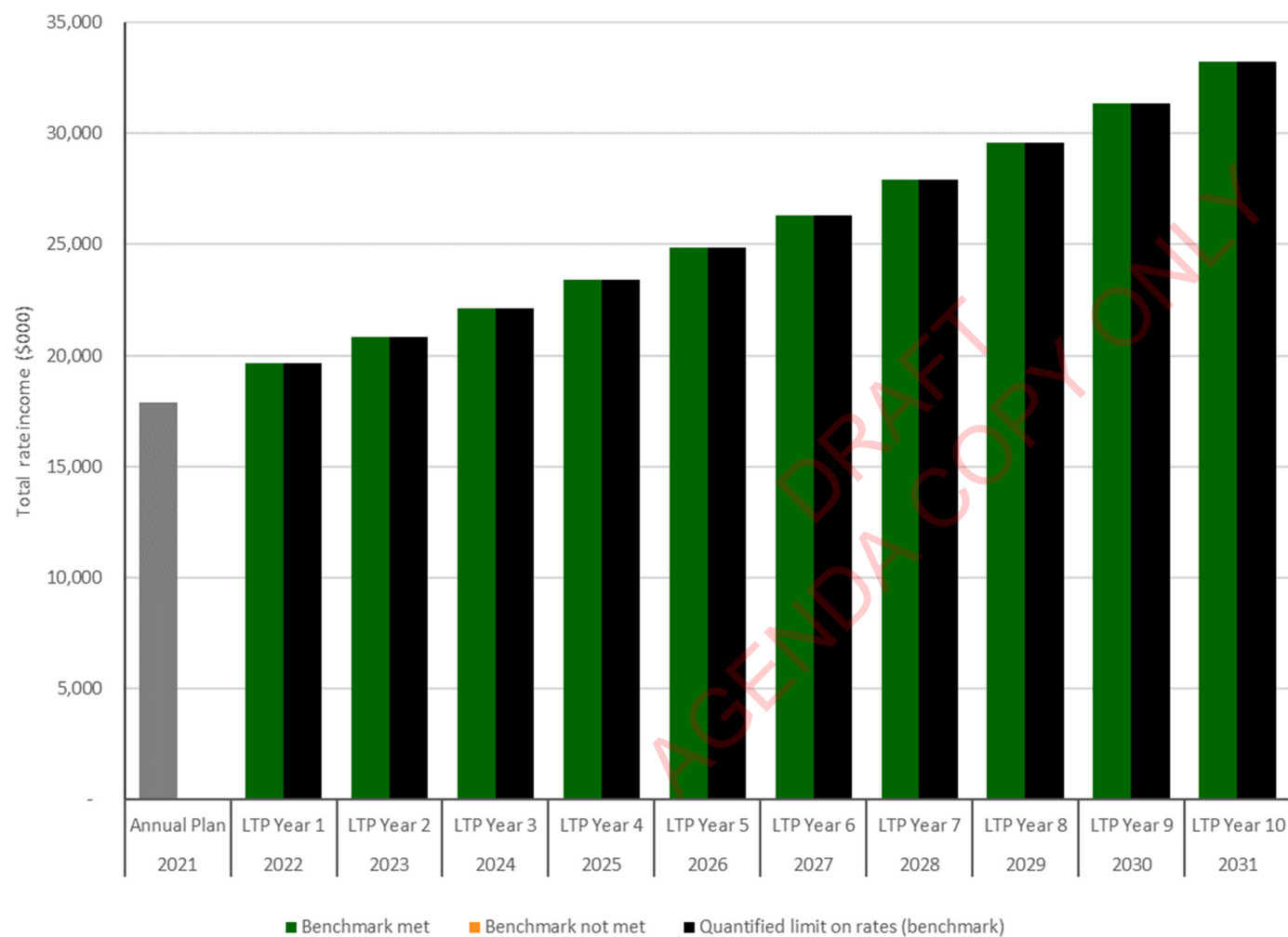
Total planned rate revenue percentage increases

The limit as contained within Council’s Financial Strategy is for the total rate increase in any year to be no more than 9.99% in year 1 and no more than 6% in years 2-10.



Quantified limits on rates revenue

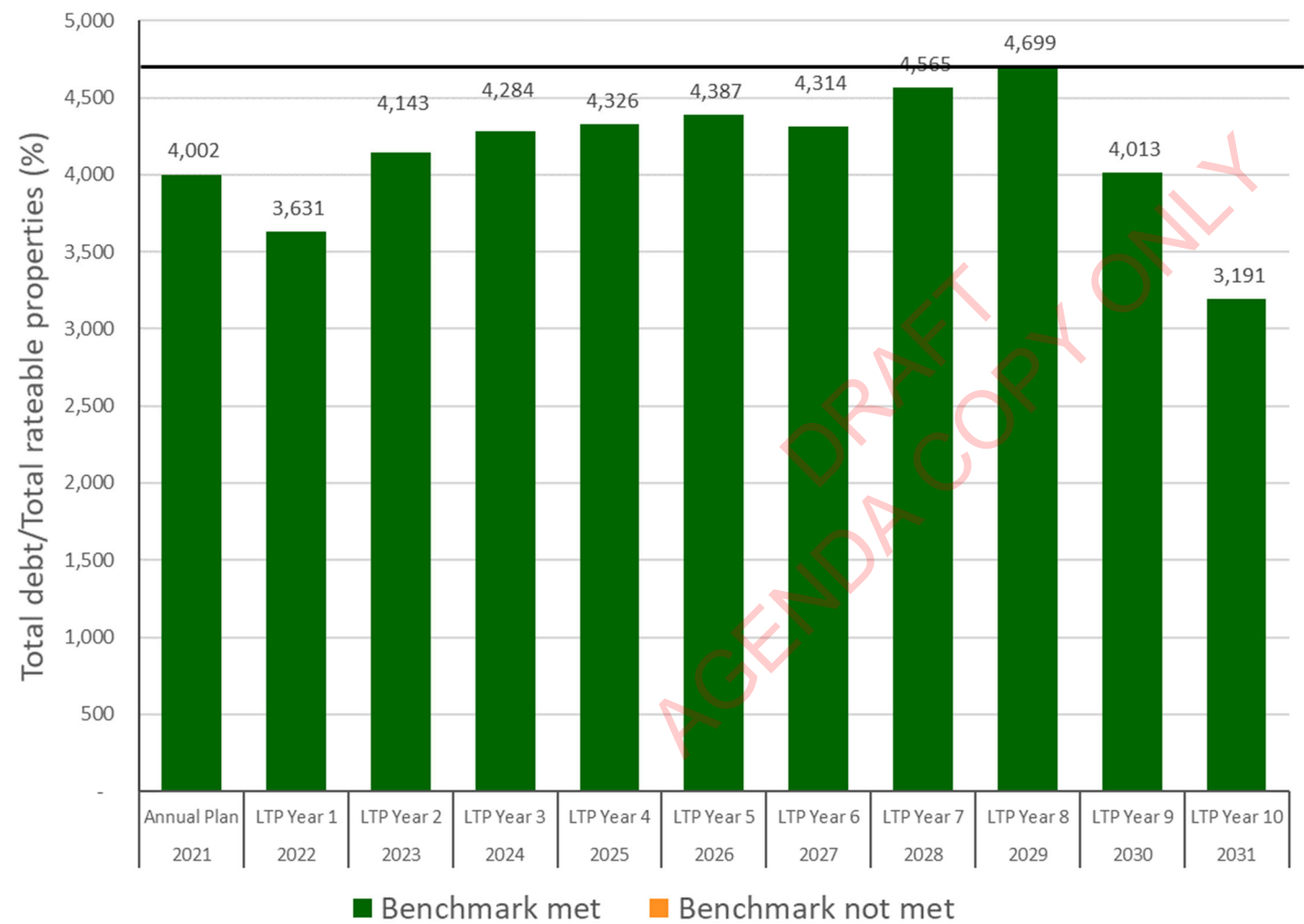
Taking into account the strategy limit of rate increases to be no higher than 9.99% in year one and no more than 6% in years 2-10, the following graph illustrates total forecast rate revenue compared against the upper limit.



Debt affordability benchmarks

Total planned debt per rateable property

The following graph displays the total planned debt per rateable property. Council’s benchmark is for total debt per rateable property to remain less than \$4,700.



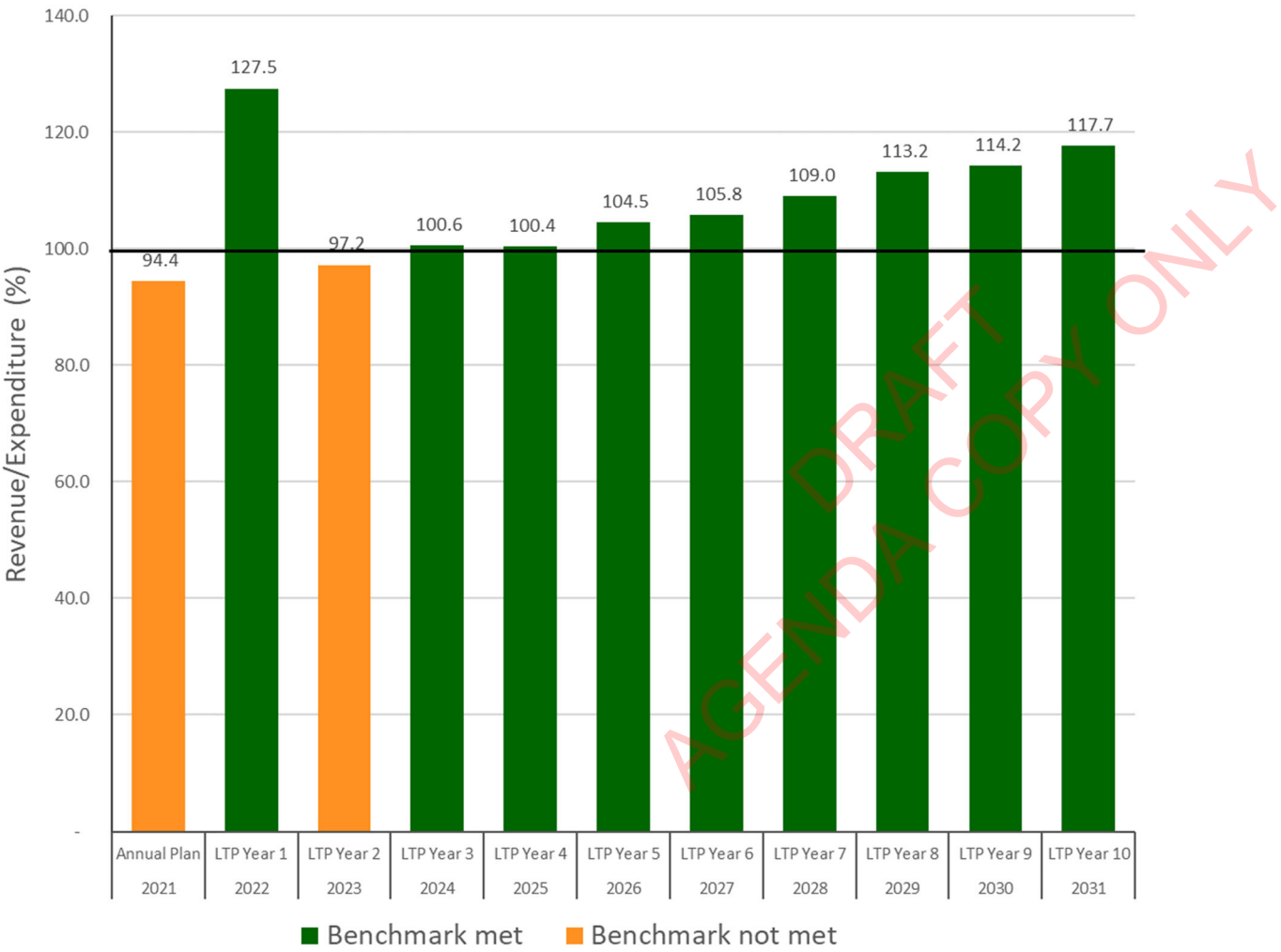
Net planned debt as a percentage of total actual revenue

The following graph displays net planned debt as a percentage of total planned revenue. Council's benchmark is for total debt to remain less than 175% of total revenue.



[c] **Balanced budget benchmark**

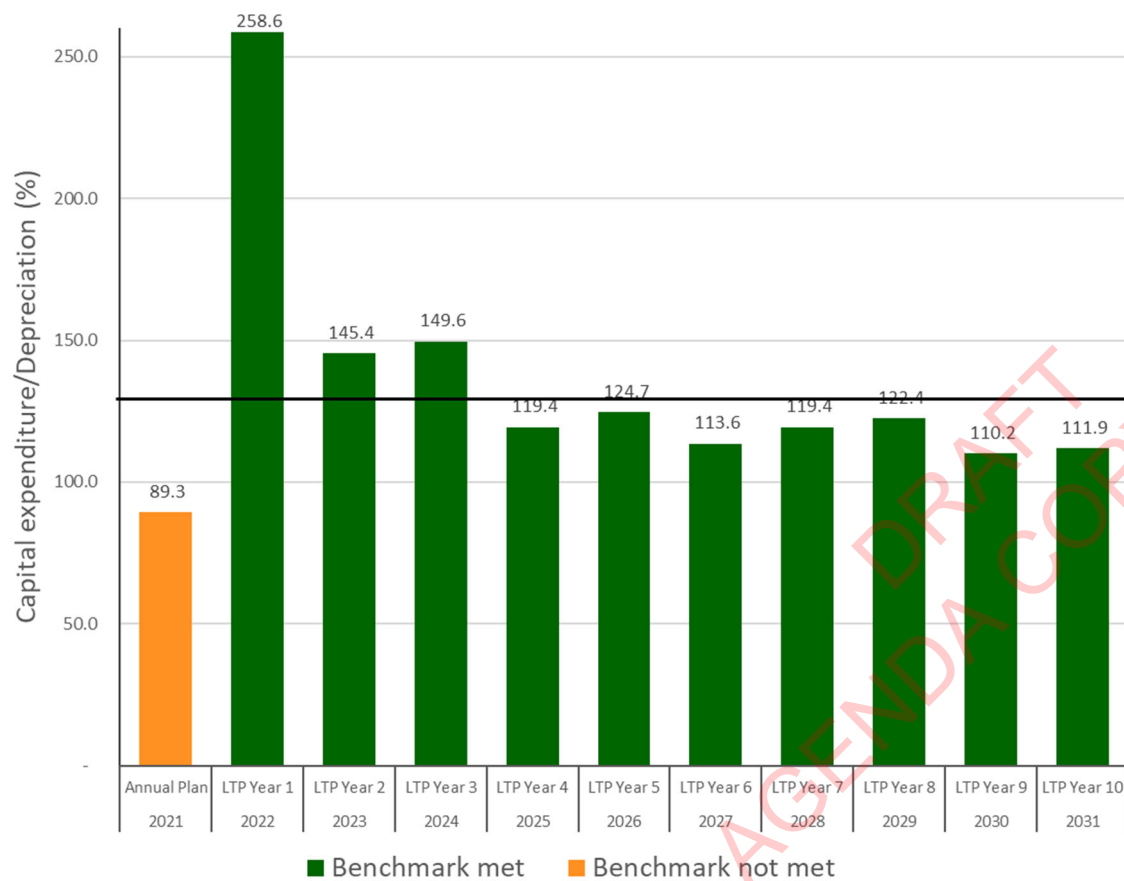
The following graph displays Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expense.



Please refer to PART C: Council’s Financial Strategy for an explanation on why this benchmark was not met.

[d] Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

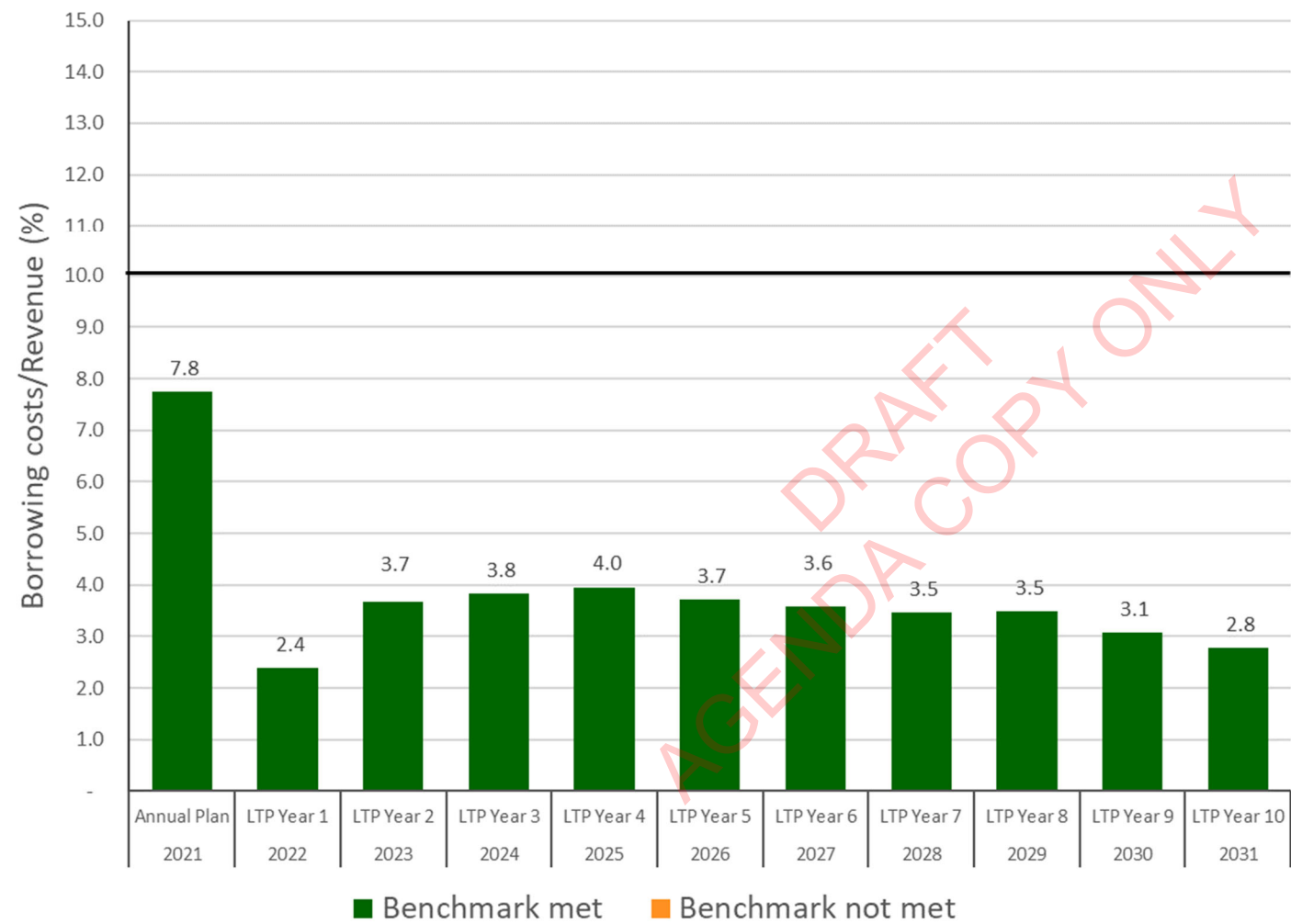


Please refer to PART C: Council's Financial Strategy for an explanation on why this benchmark was not met.

[e] Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment).

Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Rates

Rates are assessed under the Local Government (Rating) Act 2002 on all rateable rating units in the Rating Information Database (RID). Where rates are set on value, the land value of the property will apply (except for the District Promotion targeted rate which is calculated on capital value).

The latest revaluation was carried out as at **01 September 2018** and was effective from the 2019/2020 rating year. District revaluations are carried out at a three yearly interval, with the next revaluation due in 2021.

Grey District Council rates are set on a number of factors, including land value, rating units, separate parts of rating units, connections to Council services, and capital value. These factors change from year to year as the District grows and with the three yearly District revaluation.

The following sections detail what factors Council uses to calculate rates and what the rates to be set per property are for 2021/2022.

Policy objective

- To provide Council with adequate revenue to carry out its mission and objectives.
- To support the Council's achievement of its strategic objectives.
- To be simply administered, easily understood, allow for consistent application, and generate minimal compliance costs.
- To spread the incidence of rates as equitably as possible, by balancing the level of service provided by Council with ability to pay and the incidence of costs in relation to benefits received.
- To reflect the decisions of the Councils policies and rating reviews.

Definition of 'separately used or inhabited part of a rating unit'

A separately used or inhabited part (SUIP) of a rating unit is defined as:

- Any part of a rating unit that which can be:
 - Separately let and/or permanently occupied; and
 - Used for separate purposes.

These are separately used parts of a rating unit:

- A residential property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate habitation.
- Commercial premises which contain separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business or which is capable of operation as separate businesses.
- Commercial premises which contain separate living quarters.

Not separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

General rate

The Council sets a general rate under section 13 of the Local Government (Rating) Act 2002 on each rating unit in the District based on the land value. The general rate will be set on a differential basis based on land use as described as follows:¹⁵

Residential

All properties in the District less than 4,000 square metres (0.4HA) and used primarily for residential purposes, split into the following zones:

- Residential Zone ONE (refer following Map of Rating Zones for location)
- Residential Zone TWO (refer following Map of Rating Zones for location)
- Residential Zone THREE (refer following Map of Rating Zones for location)

Rural residential

All properties in the District greater than or equal to 4,000 square metres (0.4HA) and less than 50,000 square metres (5.0HA) and used primarily for residential purposes.

Rural

All properties in the District greater than or equal to 50,000 square metres (5HA) and used primarily for residential purposes.

Farming forestry

All properties in the District used primarily for farming and/or forestry purposes.

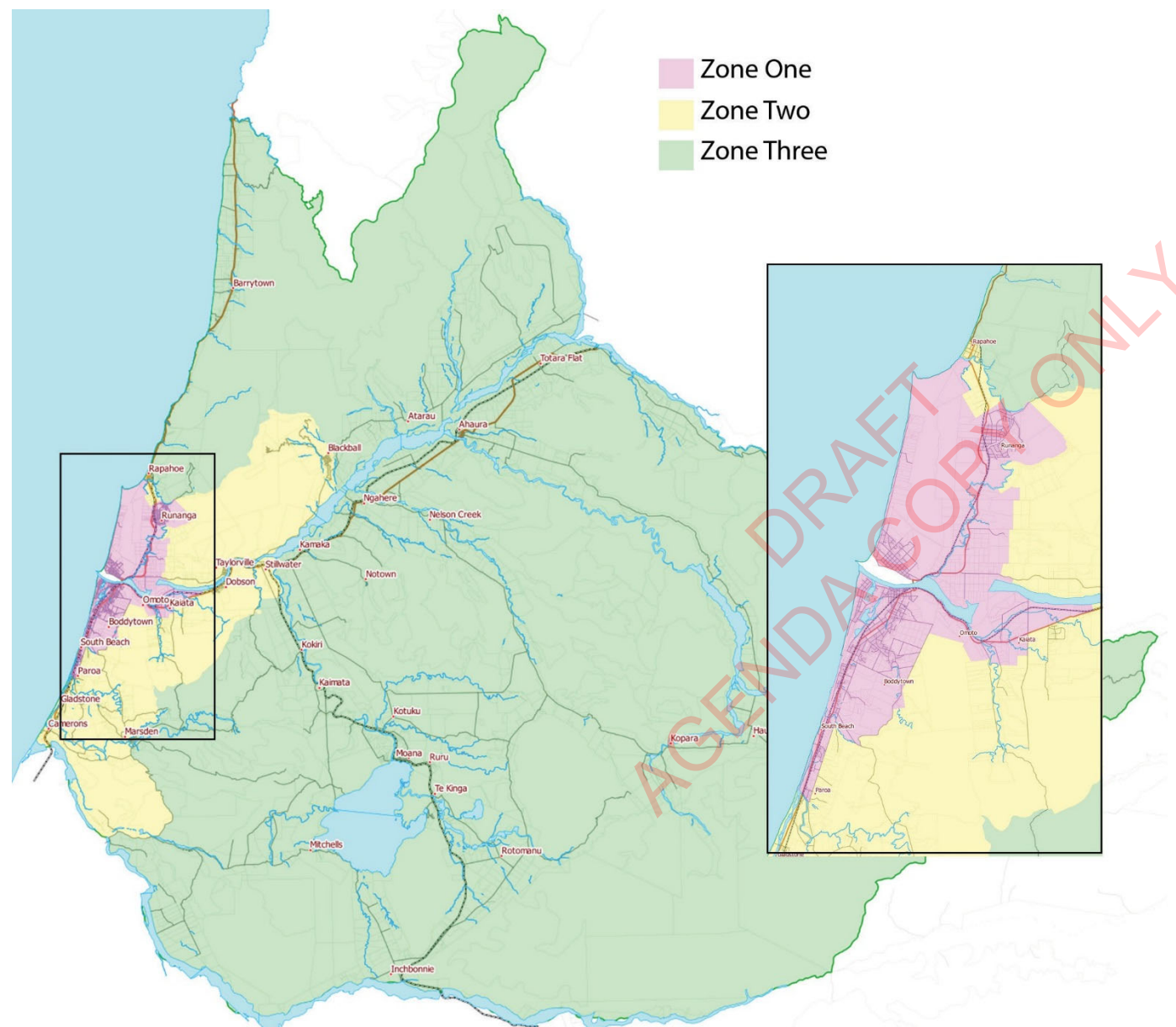
Commercial

All properties in the District used primarily for commercial and/or industrial purposes and split into the following zones:

- Commercial Zone ONE (refer below Map of Rating Zones below for location)
- Commercial Zone TWO (refer below Map of Rating Zones below for location)
- Commercial Zone THREE (refer below Map of Rating Zones below for location)

¹⁵ Note: Where differing areas of a rating unit are used for different purposes Council will identify and then allocate physically discrete parts to the appropriate differential category; and Council's valuer will determine what portion of overall value is represented

Map of rating zones



General rating differentials

Rates per dollar of land value payable by each category

The General Rate is charged based on land value per rating unit as per section 15 of the Local Government (Rating) Act 2002. The Council sets a general rate to fund the rating input required (i.e. net funding requirements) for the following activities:

- Community Services - to provide funding towards Parks and Reserves, Theatres & Museums, Public Toilets, Cemeteries, In House Taskforce
- Environmental Services - to provide funding towards District Planning, Other Regulation (Liquor licencing, By-Law Enforcement etc.), Building Control, Health Regulation, Animal Control
- Land Transport - to provide funding towards expenditure on district roads and footpaths
- Solid Waste Management - to provide funding towards expenditure on the Mcleans Landfill facility and waste minimisation
- Other Transport - to provide funding towards Parking Facilities & Enforcement, Port Facilities, Greymouth Aerodrome
- Stormwater - to provide funding towards expenditure on Council stormwater infrastructure and flood protection related expenditure that Council is responsible for
- Economic Development - to provide funding towards Economic Development initiatives & projects (also funded via targeted rate)

The proposed rates for 2021/2022 are:

	Residential Zone 1	Residential Zone 2	Residential Zone 3	Rural Residential	Rural Use	Commercial Zone 1	Commercial Zone 2	Commercial Zone 3	Farming Forestry
TOTAL GENERAL RATE	0.0164169	0.0127054	0.0073110	0.0070023	0.0063272	0.0321621	0.0223351	0.0240478	0.0018160

Includes GST

Uniform annual general charge

The Uniform Annual General Charge is charged at one (1) full charge per rating unit as per section 15 of the Local Government (Rating) Act 2002. The Council sets a uniform annual general charge to fund the rating input required (i.e. net funding requirements) for the following activities:

- Aerodrome (part)
- Westland Recreation Centre
- Library
- Swimming Pools
- Council
- Consultation
- Access to Official Information
- Civil Defence & Emergency Management

The proposed rate for 2021/2022 is:

UAGC	Annual Plan	Proposed LTP Year 1
	2020/2021	2021/2022
Rate	520.65	642.00

Includes GST

Targeted rates

Policy on accepting lump sum contributions

Council appreciates that the benefits of capital expenditure are more appropriately spread over the life of the period the benefit is available. On this basis, the preference is to loan fund the expenditure and meet the required loan repayments through revenue such as targeted rates. Council's policy therefore is not to accept lump sum contributions.

Sewerage

The Council sets targeted rates under section 16 of the Local Government (Rating) Act 2002 for sewage disposal on the basis of one (1) targeted rate per separately used or inhabited part of a rating unit which is either connected to a Council scheme or for which a connection is available.

The charge will be set on a differential basis based on the availability of the service – either connected or serviceable.

- Connected means the rating unit is connected to a Council operated sewerage scheme.
- Serviceable means the rating unit is not connected, but is within 30 metres of such a scheme and is able to connect by way of a gravity feed. Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

Quarter charges apply to hotels, motels, and schools which receive an initial full sewerage charge and then one quarter sewerage charge for each unit (pan charge) thereafter.

The targeted rate includes:

- The operation and maintenance costs for Council schemes;
- The renewal costs for existing assets; and
- Capital costs (loan repayments of previous capital expenditure, and/or current capital expenditure costs, and/or development costs of capital expenditure).

The proposed rates for 2021/2022 are:

Rating units classified as service available and connected

WASTEWATER (SEWERAGE)	Annual Plan	Proposed LTP Year 1
Separately used or inhabited parts of rating units classified as service available and connected	2020/2021	2021/2022
Blackball	634.40	636.00
Dobson/Taylorville/Kaiata - capital rate	790.80	790.80
Dobson/Taylorville/Kaiata - operating and maintenance rate	281.90	263.40
Greymouth	683.40	687.00
Karoro	366.90	369.00
Moana	284.00	288.00
Runanga	286.40	287.00
South Beach/Paroa	326.30	328.00
Te-Kinga	794.90	795.00

South Beach Loan	432.20	432.20
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Rating units classified as service available and not connected

WASTEWATER (SEWERAGE)	Annual Plan	Proposed LTP Year 1
Separately used or inhabited parts of rating units classified as service available and <u>not</u> connected	2020/2021	2021/2022
Blackball	317.20	318.00
Dobson/Taylorville/Kaiata - capital rate	790.80	790.80
Dobson/Taylorville/Kaiata - operating and maintenance rate	281.90	263.40
Greymouth	341.70	343.50
Karoro	183.45	184.50
Moana	142.00	144.00
Runanga	143.20	143.50
South Beach/Paroa	326.30	328.00
Te-Kinga	397.45	397.50
South Beach Loan	432.40	432.20

Pan Charges

WASTEWATER (SEWERAGE)	Annual Plan	Proposed LTP Year 1
Charge for each water closet (pan) or urinal connected to a public sewerage drain	2020/2021	2021/2022
Dobson/Taylorville/Kaiata - operating and maintenance rate	70.47	65.85
Moana	68.90	71.75
Te-Kinga	198.72	198.75

All wastewater rates include GST

Note: Properties may be required to connect to the sewer Scheme where existing on-site disposal arrangements are deemed to create an environmental or health risk, irrespective whether the property falls within the ambit of this policy or not.

Water supply

The Council sets targeted rates under section 16 of the Local Government (Rating) Act 2002 for water supply on the basis of one (1) targeted rate per separately used or inhabited part of a rating unit which is either connected to the scheme or for which a connection is available.

The charge will be set on a differential basis based on the availability of the service – either connected or serviceable.

- Connected means the rating unit is connected to a Council operated water reticulation scheme.
- Serviceable means the rating unit is not connected, but is within 50 metres of such a scheme. Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

The targeted rate includes:

- The operation and maintenance costs for Council schemes; and
- Capital costs (loan repayments of previous capital expenditure, and/or current capital expenditure costs, and/or development costs of capital expenditure)

Note: From 2021/2022 Council is 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 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.

The proposed rates for 2021/2022 are:

Rating units classified as service available and connected

WATER	Annual Plan	Proposed LTP Year 1
Separately used or inhabited parts of rating units classified as service available and connected	2020/2021	2021/2022
Blackball	538.20	513.00
Dobson/Taylorville	569.70	513.00
Greymouth	537.40	513.00
Runanga	436.50	436.50
Kaiata	-	410.00
Stillwater	533.50	513.00
South Beach Water Loan	151.30	151.30

Rating units classified as service available and not connected

WATER	Annual Plan	Proposed LTP Year 1
Separately used or inhabited parts of rating units classified as service available and <u>not</u> connected	2020/2021	2021/2022
Blackball	269.10	256.50
Dobson/Taylorville	284.85	256.50
Greymouth	268.70	256.50
Runanga	218.25	218.25
Kaiata	-	205.00
Stillwater	266.75	256.50
South Beach Water Loan	151.30	151.30

All water supply rates include GST

Metered water supply

The Council sets a metered water targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied to any rating unit, that is classified as commercial/industrial, in excess of 75m³ per quarter where the volume supplied is in excess of 300m³ per annum.

The proposed rate for 2021/2022 is (for all water consumed in excess of 300m³):

METERED WATER	Annual Plan	Proposed LTP Year 1
	2020/2021	2021/2022
Rate	1.45	1.50

Includes GST

Refuse and recycling collection

The Council sets targeted rates per separately used or inhabited part of a rating unit under section 16 of the Local Government (Rating) Act 2002 for refuse collection and kerbside recycling collection services. This rate will be set on a differential basis based on land use. The categories are:

- Commercial and industrial properties within the Greymouth CBD that receive a twice weekly refuse/recycling collection;
- Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties, outside the Greymouth CBD that receive a weekly refuse/recycling collection; or
- Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties that receive a weekly refuse only collection.

One (1) targeted rate will apply per separately used or inhabited part of a rating unit that receives a kerbside recycling and/or refuse service.

The proposed rates for 2021/2022 are:

REFUSE/RECYCLING COLLECTION	Annual Plan	Proposed LTP Year 1
Separately used or inhabited parts of rating units that receive the service	2020/2021	2021/2022
Refuse only collection where available	193.20	195.00
Weekly Refuse/Recycling (wheelie bin) collection where available	272.30	291.00
Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	544.60	550.00

Includes GST

Economic development rate – commercial and industrial properties

The Council sets a targeted rate under section 16 of the Local Government (Rating) Act 2002 to fund economic development opportunities in the District. The rate was previously called the 'District Promotion' rate, however it is used for a broader range of economic development activities. This is set on commercial and industrial properties.

The proposed rate for 2021/2022 is:

ECONOMIC DEVELOPMENT	Annual Plan 2020/2021	Proposed LTP Year 1 2021/2022
Rate	0.000719	0.0007976

Includes GST

Economic development rate – bed and breakfast operators

The Council sets a targeted rate under section 16 of the Local Government (Rating) Act 2002 to fund economic development opportunities in the District on the basis of a one (1) charge per separately used or inhabited part of a non-commercial/industrial rating unit which is operating as a Bed and Breakfast, Homestay or Farmstay.

The proposed rate for 2021/2022 is:

ECONOMIC DEVELOPMENT Bed and Breakfast/Homestay/Farmstay	Annual Plan 2020/2021	Proposed LTP Year 1 2021/2022
Rate	111.30	206.00

Includes GST

Early payment of rates

A discount of 2.5%, calculated on the Total Annual Levy, will apply where all due rates are paid in full, together with any outstanding prior years' rates and penalties, by 4.30pm on the due date for payment of the first instalment outlined below.

Rates payable by instalment

	Due Date and Payable	FINAL Date for payment
Instalment 1	1 August	31 August
Instalment 2	1 November	30 November
Instalment 3	1 February	28 February
Instalment 4	1 May	31 May

Rates penalties

CURRENT PENALTIES	PENALTY DATE	Penalty incurred on current instalment balance outstanding
Instalment 1 Penalty	1 September 2021	10%
Instalment 2 Penalty	1 December 2021	10%
Instalment 3 Penalty	1 March 2022	10%
Instalment 4 Penalty	1 June 2022	10%

WATER METER RATE PENALTIES	PENALTY DATE	Penalty incurred on TOTAL balance outstanding
Instalment Penalty	last day on month following invoice date	10%

ARREARS PENALTIES	PENALTY DATE	Penalty incurred on TOTAL balance outstanding
Annual Penalty	1 July 2021	10%

Rate remission and postponement policies

Full copies of Council's Rates Remission and Postponement Policies are available on request or from the website www.greydc.govt.nz.

Rate types

Council collects general and targeted rates as outlined below.

		total rate requirement
		2022
		\$000
GENERAL RATES		
Uniform Annual General Charge		4,370
General Rates - set on land value*		
Community Services	2,489	
Environmental Services	1,385	
Solid Waste Management	260	
Roading	2,689	
Stormwater	1,323	
Flood Protection	147	
Rural Fire	-	
Total General Rate		8,293
* (refer below for amount charged per differential category)		
PENALTIES		
Rate Penalties		213

	total rate requirement
	2022
	\$000
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:	
Economic Development	
Commercial/Industrial properties - targeted rate set on capital value	121
Bed and Breakfast/Homestay/Farmstay - uniform charge	8
Refuse Collection	
Refuse only collection (bag collection) where available	425
Weekly Refuse/Recycling (wheelie bin) collection where available	892
Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	59
Sewerage Collection	
Blackball	114
Greymouth	1,915
Karoro	130
Runanga	139
South Beach/Paroa	91
Moana	77
Dobson/Taylorville/Kaiata - operating and maintenance rate	76
Dobson/Taylorville/Kaiata - capital rate	111
Te-Kinga	28
South Beach Loan	17
Water Supplies	
Greymouth	1,796
Runanga	254
Dobson/Taylorville	142
Stillwater	19
Kaiata	42
Blackball	91
South Beach Water Loan	6
Water Meter Rates	250
TOTAL RATES	19,679

General rates calculated on land value payable per category

	Residential Zone 1 \$000	Residential Zone 2 \$000	Residential Zone 3 \$000	Rural Residential \$000	Rural Use \$000	Commercial Zone 1 \$000	Commercial Zone 2 \$000	Commercial Zone 3 \$000	Farming Forestry \$000
Community Services	993	85	348	236	90	548	55	42	92
Environmental Services	697	150	112	179	47	68	15	10	107
Solid Waste Management	130	28	21	33	9	13	3	1	22
Roading	815	70	118	137	113	721	91	46	578
Stormwater	922	83	74	75	13	128	15	13	-
Flood Protection	90	5	5	10	3	25	2	1	6

Sample rate assessments based on this Draft Plan

The Grey District has many varied types of rates assessments, based on:

- A differential rating system where the rates calculated on land value vary based on property use (e.g. residential vs. commercial); and
- Targeted rates for water and sewerage vary from township to township.

Please use these sample rates assessments as an indication of what changes to rates are required to meet the funding requirements of this plan. Please refer to the land value used on the general rates lines to reference how it may compare to your property. Note: The below examples include all of Council's preferred options for the key issues

	RESIDENTIAL ZONE 1							RES 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

	RESIDENTIAL ZONE 2					RESIDENTIAL ZONE 3		
	Camerons	Dobson	Gladstone	Rapahoe	Taylorville	Ahaura	Moana	Ngahere
Land Value	\$44,000	\$38,000	\$98,000	\$88,000	\$32,000	\$25,000	\$200,000	\$47,000
Current Rates	\$1,151.59	\$2,734.20	\$1,688.87	\$2,025.83	\$2,674.50	\$922.84	\$2,670.09	\$1,106.79
General Rates (including UAGC)	\$1,201.04	\$1,124.81	\$1,887.13	\$1,760.08	\$1,048.57	\$824.77	\$2,104.20	\$985.62
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	\$2,587.20	\$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

	RURAL RESIDENTIAL (Coast Road)	RURAL USE (Rutherglen)	FARMING/FORESTRY (Taylorville)	FARMING FORESTRY (Mitchells)
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			
	Greymouth	Greymouth	Blackball	Moana
Land Value	\$159,000	\$41,000	\$22,000	\$185,000
Capital value	\$665,000	\$153,000	\$160,000	\$415,000
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

PART G: Other Information

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Maori contribution to decision-making processes in the Grey District

Council adopted a Memorandum of Understanding between Te Rūnanga o Ngāti Waewae and Council, in order to establish a process for decision contributions from Maori. From this, Council has also established a Committee of Council, named the Partnership/Rangapū Committee, which is mandated to deal with matters of importance to Te Rūnanga o Ngāti Waewae as the recognised Rūnanga in the Grey District.

These actions that Council have taken are supported by the appointment of Kaiwhakahaere (Representative) of Te Rūnanga o Ngāti Waewae for the Grey District Council.

Council Controlled Organisations (CCO's)

West Coast Amateur Sports Trust

The above organisation is a Council Controlled Organisation by virtue of the fact that the Mayors of the three West Coast local authorities have nominated the respective District representatives on the Trust. This has happened 'informally' and there has been no formal Council involvement and no set policies or objectives with regard to control of this organisation or specific key performance targets or other measures have been put in place. The CCO status of the Trust has only recently come to Council's attention and steps are in place to change the Trust Deed to remove the right of local authorities to control the votes on the Trust.

PART H: Policies

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Revenue & Financing Policy

Draft – last reviewed 14 April 2021

1. Policy purpose

The purpose of the Revenue & Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of, selecting various tools to fund the operating and capital expenditures of the Council.

2. Introduction

The Revenue & Financing Policy is largely the same that was used in Council's previous Long Term Plan. The Rural fire activity has been removed due to this service no longer being provided by council. Council is therefore proposing no significant changes. There has been a change to the way the funding splits are described in the policy these are now in percentage bands rather than one set percentage as in our previous policy.

General policies on funding and sources of funding

The distribution of benefits

For the purpose of allocation of costs of each Council activity among individuals, groups of individuals and the entire community, it is essential to identify the beneficiaries and the relevant cost of the service used. Economic theory provides three concepts that could be applied to share costs according to beneficiaries.

Public Goods

At one extreme are the pure public goods which have two defining characteristics: non-rivalry and non-excludability.

Non-rivalry means that consumption by one party does not reduce the amount of that good or service available to others. In other words, there is no extra cost involved in the consumption of such good or service increases. So the cost is not related to the amount consumed (e.g. Libraries).

Non-excludability means that it is impossible or extremely costly and difficult to exclude anyone from consuming if they do not pay for the good or the service.

If a good or service has both these two characteristics, it is a pure public good and it will not be possible to allocate the costs to the users of the good or the service.

Because of this, the costs of such goods and services need to be borne by the public as a whole (through rates). Parks and reserves are an example of a service that has the characteristics of a public good.

Private Goods

At the other extreme are the pure private goods that have the opposite characteristics – rivalry and excludability. If the service provided by Council benefits identifiable parties and the costs related to the services used by them can be allocated directly to them, such services are called private goods. The costs of these services can be recovered from the consumers in the form of user charges or targeted rates.

Positive Externalities

The consumption of private goods and services can result in benefits to third parties – people who don't directly use them. These "spill over effects" or "positive externalities" are also called public or social benefits. They might include the contribution that public toilets make to tourism, libraries, museums and parks make to the social and cultural life and vibrancy of a city. The existence of externalities call for the sharing of costs between the private beneficiaries and the community as a whole. The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of costs between private beneficiaries and the community as a whole. However, a clear differentiation is not easy because, in reality, very few goods and services can be treated as pure private or public; most goods and services have some characteristics of both private and public goods (mixed goods). This leads to the adoption of a mix of funding mechanisms.

General rates and differentials

Council uses general rates as the main source of funding of activities where individual beneficiaries cannot be identified and the allocation of costs to them is not practical or cost effective; or where a part of the benefits accrue to the whole community (directly or indirectly as externalities). The general rates are split into two categories:

1. The Uniform Annual General Charge – which is a fixed charge per rating unit, the whole District pays the same amount; and

2. General rates – calculated on property value.

In its decision making on rating policies, including differentials, Council has considered the factors set out in the Local Government Act 2002.

Choice of rating system

Council uses the Land Value system to apportion the general rates that are calculated on property value. That is, the total rate requirement arrived at through the Annual Plan process is allocated to properties on the basis of their land value.

Council has considered which rating system is:

- Fairest for most people;
- Easiest for people to understand;
- Efficient for Council to administer; and
- Supported by the public.

In late 2008 public consultation indicated that there was a strong preference in the community for land value rating. Council therefore resolved to continue to rate based on land value. Council has determined that the view of the community has not significantly changed.

Rating differentials

Council has considered the level of benefit from all of Council's services and has attempted to identify any major differences in benefit between different categories of ratepayers.

This is a difficult exercise as each individual ratepayer uses, or benefits from, a slightly different mix of Council services. Some people use libraries more than average, while others make greater use of the District's roads. Also, every ratepayer is a stakeholder in the future of the District and will therefore benefit to some extent from the provision of services such as libraries and roads which create a District worth living in.

Operational expenditure

Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure. Most of Council's day-to-day expenditure comes into this category. Council generates sufficient cash inflow from revenue sources (including rates) to meet cash outflow requirements for operating expenditure over the long term.

Operating expenditure includes the overhead costs. The way in which Council allocates its overheads to different areas of Council operation is important for the Revenue and Financing Policy, particularly for services that are funded fully or mostly from user charges. For these services it is important that overheads are generally allocated on a similar basis as if these services were being operated by the private sector – otherwise users may be asked to pay too much.

Council also faces a number of costs that the private sector does not. These costs (such as running Council meetings and holding elections, as well as legal and policy advice, advocacy and consultation) are not treated as an overhead but rather treated as activities in their own right, and are funded on a stand-alone basis.

Operational expenditure includes depreciation.

Each funding method is described in more detail below, including the situations in which Council will use each method.

General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general District-wide benefit to providing the service or where there would be an economic inefficiency to implement a targeted rate.

Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service (eg Council reticulated water supply).

Fees and charges

Where Council has deemed there is a direct or partial benefit to the end user (e.g. building control), it is done through fees and charges. For activities where enforcement action is necessary, the "exacerbator pays principle" applies where practical.

The price of the service is set taking account of a number of factors. These could include:

- The cost of providing the service.
- The estimation of the users' private benefit from using the service
- The impact the cost has to encourage or discourage behaviours.
- The impact the cost has on demand for the service.
- Market pricing, including comparability with other councils.

- The impact of rates subsidies if competing with local businesses.
- The cost and efficiency of revenue collection mechanisms.
- The impact of affordability on users.
- Other matters as determined by the Council.

Interest

Council receives the majority of its interest relating to the special funds it has set aside. The interest earned on these funds is transferred to the special funds balances. A small amount of interest is returned from time to time where Council has excesses of cash on hand, which is used to offset administration (internal) costs.

Borrowing

Not generally used for operating expenditure, except for bridge financing of Port deficits until revenue levels rise to meet all operational expenditure (refer financial strategy for further information).

Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified community outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset, and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

Not generally used for operating expenditure. The exception is for port activities where sale of endowment land is used to offset any current and/or prior year operational losses.

Development contributions

Not currently levied.

Financial contributions (under the Resource Management Act 1991)

Financial contributions are charged where new development creates increased demand on maintenance of reserves.

Grants and subsidies

Council receives the majority of grants and subsidies in the form of financial assistance from the New Zealand Transport Agency (NZTA) and these are used as an operational source of revenue for roading where applicable. Grants and subsidies are used in other activities wherever feasible and it is financially prudent to draw down any such funds. Council acts as funding conduit for local service organizations accessing Crown funding assistance.

Other sources

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

Operational costs include the funding of any depreciation.

Capital expenditure

Capital costs, for the purpose of this policy, is spending on assets that provide the community with a service over a longer period of time than operating expenditure.

Capital expenditure is the category of spending which creates a new asset, or extends the lifetime of an existing asset. The following sources are available for Council to fund capital expenditure (the costs of replacing an existing asset are not included here as these costs are progressively expensed as depreciation).

Funding sources:

General rates

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where the rates take is within Council's rates increase limit as set in the Financial Strategy and is in keeping with the principles of prudent financial management.

Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service (eg Council reticulated water supply).

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where this is in keeping with the principles of prudent financial management.

Fees and charges

Capital expenditure is not generally funded from fees and charges. Council may opt to fund some capital expenditure from here where this is in keeping with the principles of prudent financial management.

Interest

Council receives the majority of its interest relating to the special funds' it has set aside. The interest earned on these funds is transferred to the special funds balances. Council may use the return on these funds to fund capital projects

Borrowing

Borrowing is an appropriate funding mechanism to smooth the peaks in capital expenditure. It also enables the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period during which benefits from that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity.

Council will fund capital expenditure in the following priority order:

1. Financial Contributions for growth projects
2. Grants and Subsidies available
3. Available rates funding where the rates rise fits within Council's set rates increase limits.
4. Loans

The overriding limits on borrowing are set out in the Liability Management and Investment Policies.

Lump sum contributions

Council appreciates that the benefits of capital expenditure are more appropriately spread over the life of the period the benefit is available. On this basis, the preference is to loan fund the expenditure and meet the required loan repayments through revenue such as targeted rates. However Council will, in particular circumstances, consult with affected communities on the options of collecting a lump sum contribution as is available under the rating legislation, to fund the capital costs of new wastewater schemes or water supply.

Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified council outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

Proceeds from asset sales are generally set aside for future use in line with Council's policy on Special Funds. The exception is for Port activities, where sale of endowment land is used to offset any current and/or prior year operational losses.

Development contributions

Not currently levied.

Financial contributions (under the Resource Management Act 1991)

Financial Contributions are charged where the demand for Council development in the present and future is from new development.

Grants and subsidies

Council receives the majority of grants and subsidies in the form of financial assistance from the New Zealand Transport Agency (NZTA). Subsidies are also used for the development of other infrastructure such as water reticulation and sewage disposal when made available.

Other sources

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

Funding sources of capital costs for Council activities

The above principles will be deliberated when Council is considering any new capital project, and the funding tools used may therefore vary project by project. It is therefore difficult, and inaccurate to try and represent capital funding of each activity graphically.

Please refer to the below **funding needs analysis** – capital expenditure for each of the funding sources that will be considered.

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Funding Sources Council activities

Activity	Rates	Subsidies	User Fees	Borrowing	Other
Land Transport	19% - 58%	35% - 73%	1% - 3%	0% - 17%	0% - 20%
Stormwater	55% - 100%	0% - 45 %	0% - 20%	0% - 32 %	0% - 20%
Flood prevention	55% - 100%	0% - 45 %	0% - 20%	0% - 32 %	0% - 20%
Wastewater (sewerage)	62% - 100%	0% - 38 %	2% - 5%	0% - 35 %	0% - 20%
Water supply	25% - 95%	0% - 55%	2% - 9%	0% - 15 %	0% - 20%
Refuse Collection/Landfill & recycling	40% - 80%	2% - 5%	15% - 30%	0% - 40%	0% - 20%
District Planning	50 % - 79%	0% - 20 %	15% - 20%	0%	0% - 20%
Building Control	45% - 60%	0% - 20 %	49% - 55%	0%	0% - 20%
Health Regulation	60% - 80%	0%	20% - 40%	0%	0% - 20%
Dog/Stock Control	15% - 43%	0%	22% - 60%	0% - 60%	0% - 20%
Other Regulation	44% - 82%	0% - 20 %	7% - 20%	0%	0% - 20%
Greymouth Aerodrome	25% - 86%	0% - 20 %	10 % - 40%	0%	0% - 60%
Parking	35% - 46 %	0% - 20 %	30% - 65%	0%	0% - 20%
Port of Greymouth	5% - 91%	0% - 20 %	5% - 50%	0% - 42%	0% - 20%
Retirement Housing	0%	0% - 20 %	80% -100%	0% - 20%	0% - 20%
Property	0%	0% - 20 %	10% & - 30%	0% - 40%	50% - 95%
Libraries	50% - 99%	0% - 20 %	0% - 1%	0% - 50%	0% - 20%
Heritage, Arts & Culture	60% - 80%	0% - 20 %	1% - 5%	20% - 35%	0% - 20%
Recreation Centre (incl. Swimming Pools)	50% - 67%	0% - 20 %	30% - 50%	0%	0% - 20%
Cemeteries	75% - 90%	0% - 20 %	10% - 15%	0%	0% - 20%
Parks and Tracks	75% - 100%	0% - 20 %	0% - 5%	0% - 20%	0% - 20%
Council's In-house task force	80% - 100%	0% - 20 %	0%	0%	0% - 20%
Public Restrooms	45% - 100%	0% - 20 %	0%	0% - 30%	0% - 25%
Council	85% - 95%	0% - 20 %	0% - 5%	0%	0% - 20%
Public consultation	80% - 100%	0% - 20 %	0%	0%	0% - 20%
Council's Administration	0% - 10%	0% - 20 %	0% - 5%	0%	85% - 95%
Economic development	95% - 100%	0% - 20 %	0% - 5%	0%	0% - 20%

4. Funding needs analysis – operational expenditure

Includes depreciation that is funded.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Roading & footpaths	Land transport	Economic Strong Diverse Sustainable Prosperous Social Safe Connected Enabled Environment Practical Resilient Strategic	Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MINOR	MAJOR				MINOR (petroleum tax)	Council will endeavour to gain the most advantageous financial assistance for both the immediate to medium term, with the balance of funding to be met from general rates. The District requires an efficient transport network for economic viability, so there is a mix of direct benefit to the users of the network and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district
Management of Stormwater systems	Stormwater	Economic Strong Diverse Sustainable Prosperous Social Safe Connected Enabled Environment Practical Resilient Strategic	Users Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								The District requires efficient stormwater systems for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district
Flood prevention. This includes maintaining urban watercourses	Stormwater	Economic Strong Diverse Sustainable Prosperous Social Safe Connected Enabled Environment Practical Resilient Strategic	Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								The District requires efficient flood protection assets for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	Economic Strong Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR	MINOR					Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.
Water supply - treatment and reticulation	Water Supply	Economic Strong Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR						Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.
Refuse/Recycling collection	Solid waste management	Economic Strong Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Individuals, businesses	Ongoing	Users	Significant activity, Accountability		MAJOR							There is a direct benefit for those properties that can have their waste collected, therefore a targeted rate is struck to cover these costs.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Landfill and recycling management	Solid waste management	Economic Strong Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Users, Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MAJOR	MINOR					The demand for the operation and maintenance of facilities is created by the present community Excess users of refuse collection pay additional user fees Those that use facilities direct cover the relevant costs by way of user fees There is a District wide benefit to having a compliant facility; therefore other costs are covered by a separate general rate set differentially across the district
Civil Defence and Emergency Management	Environmental Services	Economic Strong Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Individuals, Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR			MINOR					The demand for management of civil defence is created by the present community There is a District wide benefit to having a managed service; therefore other costs are covered by a general rate set across the district.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
District Planning	Environmental services	Economic Strong Diverse Sustainable Prosperous Social Safe Cultural Proud Unique Inter-connected vibrant Environment Bold Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE						Planning provides current and on-going benefits through the sustainable development of Council/Community vision The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
Building Control	Environmental services	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, accountability	MODERATE		MAJOR					MINOR	Building control provides current and on-going benefits through the sustainable development of Council/Community vision The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
Health Regulation	Environmental services	Economic Strong Sustainable Prosperous Social Safe	Individuals, Community	Ongoing	Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE						Health regulation - Direct inspection and licensing costs are recovered from premises involved. Health regulation - As there is a collective benefit remaining costs are met by the general ratepayer. (Public Goods)

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Animal Control	Environmental services	Economic Strong Sustainable Social Safe Environment Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MODERATE		MAJOR						The benefit of having effective dog control is shared equally by all in the district. As the need for the activity is created by dog owners, the majority of costs are to be met by those generated the need
Other Regulation	Environmental services	Economic Strong Sustainable Social Safe Environment Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MAJOR		MODERATE						Enforcement - Whilst in principle the ideal would be to recover the majority of costs from those creating the demand (exacerbator) the reality is it is inherently difficult to recover the costs. Enforcement - As there is a collective benefit remaining costs are met by the general ratepayer.
Greymouth Aerodrome	Commercial and Property	Economic Strong Diverse Sustainable Social Safe Environment Practical Resilient Strategic	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE						With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Parking	Commercial and property	Economic Strong Diverse Sustainable Prosperous Social Safe Connected	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, Accountability	MAJOR		MAJOR						Costs are recovered from users of dedicated parking facilities Parking Regulation/ enforcement costs are recovered from fines General benefit available to all by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Port of Greymouth	Commercial and Property	Economic Strong Sustainable Social Safe Environment Practical Resilient Strategic	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE		MODERATE	MODERATE (to fund operating deficits in the short term)		MAJOR (lease revenue)	With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Retirement Housing	Commercial and Property	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Inter-connected	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR						Costs not significantly impacted by actions or inactions of individuals or groups. No compelling case to provide rates funding based on affordability or wider social consideration. Appropriate policy for this activity.
Property	and Property	Economic Strong Diverse Sustainable Prosperous Social Enabled Environment Practical Resilient Strategic	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR					MAJOR (internal recoveries against activities)	Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Libraries	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR	MINOR					User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Swimming Pools	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Inter-connected, vibrant Environment Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE						User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Heritage, Arts & Culture	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR	MODERATE	MINOR						User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Indoor Sport Centres	Community facilities	Economic Diverse Strong Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected, Vibrant Environment Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MAJOR						User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Cemeteries	Community facilities	Economic Sustainable Social Inclusive Connected Cultural Proud Unique Inter-connected Environment Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE	MINOR					User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Parks and Tracks	Community facilities	Economic Diverse Strong Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR						User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Council's In-house task force	Community facilities	Economic Diverse Strong Sustainable Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient	Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Public Restrooms	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Practical Resilient	Individuals, Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								Provides a general benefit to the district having quality facilities

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Council	Democracy & administration	Economic Strong Diverse Sustainable Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR							MINOR (interest revenue)	Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Public consultation	Democracy & administration	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Bold Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR								Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Council's Administration	Democracy & administration	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Bold Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MINOR (rate penalties)		MINOR					MAJOR (internal recoveries from activities)	The majority of costs are recovered via an overhead allocation against other activities based on the appropriate cost drivers

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Economic development	Democracy & administration	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Bold Practical Resilient Strategic	Individuals, businesses Community	Ongoing	Individuals, businesses	Has unique funding requirements, Accountability	MODERATE	MAJOR		MODERATE					Seek external subsidies where possible. Commercial/Industrial ratepayers receive benefit of economic development and promotion – contribute via a targeted rate. Balance non-exclusive service providing benefit to the wider community

5. Funding needs analysis – new capital expenditure

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other		
Roading & footpaths	Land transport	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Environment Practical Resilient	Community	Ongoing	Users, Growth	Significant activity, Accountability	MAJOR				MAJOR	MODERATE		MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers Council will endeavour to gain the most advantageous financial assistance for both the immediate to medium term, with the balance of funding to be met from general rates.
Management of Stormwater systems	Stormwater	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Bold Practical Resilient Strategic	Users Community	Ongoing	Landowners, Growth	Significant activity, Accountability						MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Flood prevention. This includes maintaining urban watercourses	Stormwater	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Bold Practical Resilient Strategic	Community	Ongoing	Landowners, Growth	Significant activity, Accountability					MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Bold Practical Resilient Strategic	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Water supply - treatment and reticulation	Water Supply	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Bold Practical Resilient Strategic	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Landfill and recycling management	Solid waste management	Economic Strong Diverse Sustainable Prosperous Social Safe Environment Bold Practical Resilient Strategic	Users, Community	Ongoing	Users, Growth	Significant activity, Accountability					MINOR	MAJOR			New capital is driven by the need for additional landfill capacity. Majority of costs are loan funded to be repaid over the useful life of the asset.
Greymouth Aerodrome	Commercial and Property	Economic Strong Diverse Sustainable Prosperous Social Safe Connected Environment Resilient	Users	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Parking	Commercial and Property	Economic Strong Diverse Sustainable Prosperous Social Safe Connected Enabled	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, accountability					MAJOR	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new users. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Port of Greymouth	Commercial and Property	Economic Strong Diverse Sustainable Prosperous Social Connected Environment Practical Resilient Strategic	Users Business	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			For the development of new facilities much of the benefit will be gained by future users therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.
Retirement Housing	Commercial and Property	Economic Sustainable Social Safe Inclusive Connected Enabled Cultural Proud Inter-connected	Individuals	Ongoing	Users, Growing demand	Has unique funding requirements, accountability				MODERATE	MODERATE	MAJOR			New capital driven by increased demand for facilities. Council will endeavour to obtain any available subsidies with remaining costs to be met from specific funds set aside and borrowing.
Property	Commercial and Property	Economic Strong Diverse Sustainable Prosperous Social Safe Enabled	Individuals	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR		MAJOR <i>(internal recoveries from activities)</i>	Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Libraries	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Bold Practical Resilient Strategic	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability	MAJOR		MINOR		MODERATE	MODERATE			New collection additions are progressively added from annual rates/user fee revenue. New library development would be funded from specific funds set aside and borrowing
Swimming Pools	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected, Vibrant	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Heritage, Arts & Culture	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected, Vibrant Environment Bold Practical Resilient Strategic	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.
Indoor Sport Centres	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Cemeteries	Community facilities	Economic Diverse Sustainable Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient,	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.
Parks and Tracks	Community facilities	Economic Strong Diverse Sustainable Prosperous Social Safe Inclusive Connected Enabled Cultural Proud Unique Inter-connected Vibrant Environment Practical Resilient Strategic	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source								Rationale
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers	Other	
Public Restrooms	Community facilities	Economic Sustainable Social Safe Environment Practical Resilient	Individuals, Community	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.

Grey District Council Treasury Management Policies

Adopted	9 March 2015	Review period	Three yearly
Last reviewed	14 April 2021	Next review due	April 2024
Approved by	TBC	Minute reference	
Policy owner	Corporate Services Officer	Adoption Date	TBC

Investment policy

Objective

This policy seeks to achieve the following:

- Optimise investment returns while balancing risk and return considerations.
- Ensure that investments are liquid and sufficiently flexible.
- Diversify the mix of financial investments.
- Managing potential capital losses as a result of interest rate movements.
- Providing for termination of investments before maturity if deemed necessary.
- Safeguard Council's financial market investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters
- Produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the investment activities of Council

In its role as a local authority, Council recognises that any investments it holds should be low risk, giving preference to conservative investment policies and avoiding speculative instruments. It therefore is accepted that lower risk generally means lower returns. In its financial market investment activities, the primary objective is the protection of the investment capital and to minimise the risk of any loss. Accordingly, only creditworthy counterparties are acceptable (refer [4.7] financial investments)

Any new investments are approved by the appropriate delegated authority.

Investment mix

Council maintains investments in the following financial assets:

- Equity investments
- Loan advances
- Property investments, including land holdings.
- Financial market investments.

Equity investments

Council has equity investments in Civic Assurance Limited.

Civic Assurance Limited

The shares were acquired by virtue of Council being a local authority. The shares are not readily transferable.

Disposition of Revenue

Revenue earned from the shares is minimal. Any sale requires Council approval. Any disposition will be realised in a managed form and proceeds are taken to general funds.

Risk Management

The investment will be managed by reviewing annually the performance, and the consideration of the Statement of Intent.

Management Reporting and Procedures

Annual Reports are received and reviewed by Council. Election of directors takes place at the AGM held at the Local Government New Zealand annual conference. The Council votes by proxy.

Specific Policy

Council reviews its commitment to the scheme on an annual basis based on the Annual Report of the company. As a member, Council gets to vote on the directorships involved.

Notwithstanding unforeseen circumstances, Council will continue to hold its shares in Civic Assurance Ltd for the duration of this plan.

Property investments, including land holdings

Council owns property, i.e. land holdings and buildings, only insofar as it is necessary to do so in order to achieve its strategic objectives. The benefits of continued ownership, vis-à-vis other investment vehicles is reviewed regularly. The basis for the review is the most financially viable method of delivery of Council services.

Any new acquisitions require Council resolution.

Commercial and non-operational property

Nature of Investment/Rationale for Holding

Council holds a number of commercial properties; including property intended for resale, property used by the port, other property held for strategic purposes, plus other properties that were acquired through amalgamation.

Disposition of Revenue

- Net income/proceeds will be first applied to any outstanding monies owed against the property.
- Net income is used as a source of operating revenue for the 'Commercial & Property' activity.
- Net proceeds from sales are transferred to special funds

Risk Management

N/A

Management Reporting and Procedures

The Corporate Services Manager will review the performance of the property investments and make any recommendations of disposal to the property sub-committee. Financial performance will be reported via the Annual Report.

Residential property

Nature of Investment/Rationale for Holding

Council holds a number of residential leasehold properties and endowment land, from the time of amalgamation in 1989. These are freeholded, subject to Council policy, at the resident's request.

Disposition of Revenue

- Net income from endowment land is used to fund present port operations, or set aside in a special fund for future port related expenditure.
- Net income from other residential leases is used as a source of operating revenue for the 'Property & Housing' activity.
- Net proceeds from freeholdings are transferred to special funds

Risk Management

N/A

Management Reporting and Procedures

Via the Annual Report.

Retirement housing

Nature of Investment/Rationale for Holding

Council owns a number of retirement housing properties, necessary for achieving the outcomes of the Long Term Plan.

Disposition of Revenue

Net income from retirement housing is used for a combination of purposes to:

- retire long-term debt
- set aside for future maintenance/renewals
- offset against the general rate

Risk Management

N/A

Management Reporting and Procedures

Via the Annual Report.

Financial market investments

Council's primary objective when investing in the financial markets is the protection of its investments, and therefore only creditworthy counterparties are acceptable (refer following table).

Nature of Investment/Rationale for Holding

Financial investments are held for the following reasons:

- To invest proceeds from the sale of assets.
- To invest funds held as 'Special Funds' for specific purposes.
- To invest amounts allocated for approved future expenditure.
- To invest surplus cash and working capital.

Disposition of Revenue

All dividends and interest income will be shown in the considered revenue account.

Risk Management

Council ensures prudence by applying the following principles:

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper	Short term S&P rating of A1 or better	\$3.0 million
		Bonds/MTNs/FRNs	Long term S&P rating of BBB or better	\$1.0 million
			Long term S&P rating of A- or better	\$2.0 million
			Long term S&P rating of A+ or better	\$3.0 million
Local Authorities where rates are used as security	60%	Commercial Paper	Not Applicable	\$2.0 million
		Bonds/MTNs/FRNs		\$2.0 million
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/Commercial Paper	Short term S&P rating of A1 or better	\$15.0 million
		Bonds/MTNs/FRNs	Long term S&P rating of BBB or better	\$1.0 million
			Long term S&P rating of A- or better	\$2.0 million
			Long term S&P rating of A+ or better	\$3.0 million
State Owned Enterprises	70%	Commercial Paper	Short term S&P rating of A1 or better	\$3.0 million
		Bonds/MTNs/FRNs	Long term S&P rating of BBB or better	\$1.0 million
			Long term S&P rating of A- or better	\$2 million
			Long term S&P rating of A+ or better	\$3.0 million
Corporates *	60%	Commercial Paper	Short term S&P rating of A1 or better	\$3.0 million
		Bonds/MTNs/FRNs	Long term S&P rating of BBB or better	\$1.0 million
			Long term S&P rating of A- or better	\$2.0 million
			Long term S&P rating of A+ or better	\$3.0 million
Financials*	30%	Commercial Paper	Short term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs	Long term S&P rating of BBB or better	\$1.0 million
			Long term S&P rating of A- or better	\$2.0 million
			Long term S&P rating of A+ or better	\$3.0 million
Building Societies	20%	Call and Term Deposits	To be individually approved by Council	\$3.0 million

* The combined holding of Corporates and Financials shall not exceed 70% of the portfolio.

The combined holdings of entities rated BBB and/or BBB+ shall not exceed 25% of the portfolio

If any counter-party's credit rating falls below the minimum specified in the above table then immediate steps are taken to reduce the credit exposure to that counter-party to zero.

Exposures to each counter-party are computed as follows:

- On-balance sheet

- Total amounts invested with that counter-party.
- Off- balance sheet
 - Credit exposure on interest rate contracts computed by multiplying face value of outstanding transactions by an interest rate movement factor of 5%.

Interest Rate Risk Management

- Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its investments. The risk is managed by:
 - At least \$2 million will be held on call
 - The balance will be fixed through physical investment instruments (e.g. term deposits)
- Any change to this management approach will require approval from the Audit Sub-Committee and Council resolution.

Duration control for Council's Fixed Interest Investment Portfolio (FIIP)

Duration calculates the effective average term of an investment portfolio by combining all individual investments and weighting all the cash flows using a series of net present value calculations. Duration is then reported as the average life of the portfolio as if it was effectively one investment instrument, e.g. 2.9 years. Establishing a duration control provides a safeguard as it effectively limits the overall maturity profile of a FIIP

The duration for the Fixed Interest Investment Portfolio shall be controlled by referencing its duration against an appropriate external benchmark. Council is able to vary the duration of the portfolio by no more than 25% either side of the benchmark portfolio's duration. Compliance with the duration control is not required if the nominal value of the FIIP is less than \$5.0 million

Management Reporting and Procedures

Reports are presented to Council each month as part of the financial report. As a minimum the following information will be reported at least quarterly, which contains the following key details of the FIIP.

- Total nominal value of portfolio
- Weighted average interest rate.
- Comparison with a benchmark portfolio (provided that the benchmark exceeds \$5.0 million).
- Asset class profile (graphically illustrated).
- Credit profile (graphically illustrated).
- Maturity profile (graphically illustrated).
- Duration measurement.(provided that the benchmark exceeds \$5.0 million).
- A statement of policy compliance.
- Details of any exception reports.

Benchmarking the performance of Council's FIIP

The performance of the FIIP shall be compared against an external benchmark such as one of the NZX's portfolio's or a benchmark portfolio constructed for Council;. Compliance with the benchmarking standard is not required if the nominal value of the portfolio is less than \$5.0 million

New Zealand Local Government Financing Agency (LGFA)

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA, and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA

Liability Management Policy

Objective

This policy aims to achieve the following:

- To maintain Council's borrowing on a prudent level.
- Borrowing should provide a basis for inter-generational equity.
- Minimise risk.
- Ensure that Council has an on-going ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for Council, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- Maintain lender relationships and Council's general borrowing profile in the local debt and, if applicable, capital markets, so that Council is able to fund itself appropriately at all times.
- Control Council's cost of borrowing through the effective management of its interest rate risks, within the interest rate risk management limits established by the Liability Management Policy.
- Ensure compliance with any financing/borrowing covenants and ratios.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely reports that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of Council.

Principles

- In evaluating any new or renewal borrowing, Council will take the following into consideration:
 - The size and economic life of the project to be funded.
 - The impact of the new debt on borrowing limits.
- When raising new Council-approved borrowing, the following must be taken into account:
 - Relevant margins under each borrowing source.
 - Council's overall debt maturity profiles to avoid concentration of debt at roll-over time.
 - Prevailing interest rates relative to term for both stock issuance and bank borrowing given good external advice on potential future interest rate movements.
 - Available terms and pricing from bank debt, bond issuance and LGFA funding provided that Council has not exceeded its limit with the latter.
 - Legal documentation and financial covenants.

Interest rate exposure

The interest rate exposures of Council shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of Council. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Corporate Services Manager.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 4 years	20%	80%
4 – 8 years	0%	60%

Any hedging in excess of 8 years must be approved by the full Council.

To manage the interest rate risk associated with its debt Council may use the following interest rate risk management instruments.

- Interest rate swaps.

- Swaptions.
- Interest rate options, including collar type structures but only in a ratio of 1:1.
- Forward rate agreements.
- Fixed Rate Term Loans.

Funding & liquidity

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long-term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities.

Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve month period. Compliance with this provision is not required if total external debt is less than \$3.0 million.
- The Corporate Services Manager must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the Corporate Services Manager must obtain an indicative letter of offer no later than two months before the maturity of any bank facility. Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet the short-term commitments of the Council as they arise in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor The Council's estimated liquidity position over the next twelve months.

Council shall maintain headroom of not less than 110% of projected core debt'. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Corporate Services Manager. In calculating the percentage of available headroom financial market investment funds can be included as headroom.

Liquidity risk may result in Council not being able to meet its day-to-day commitments, including debt maturities. This is not seen to be a major issue except in the event of a major disruption to the financial markets or a natural disaster affecting Council's day-to-day revenues. As a safeguard, the following guidelines will apply:

- Maintain a Quick Asset Ratio for each of the subsequent months of at least 1:1.
- Maintain a Disaster Recovery Fund (refer Policy on Special Funds)
- Retain insurance cover of Council's infrastructure assets.
- Maintain a bank standby facility at a level that will enable Council to meet its obligations in terms of the Quick Asset Ratio above.

Authorised funding methods

Council may obtain funding utilising the following methods:

- Bank debt.
- Capital markets issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes.
- Local Government Funding Agency debt.
- Internal borrowing

Credit exposure

Council's ability to readily attract cost effective borrowing is largely driven by:

- Ability to maintain a strong balance sheet; and
- Ability to rate; and
- Manage its image in the market; and
- Strong and positive relationship with its banker.

Debt repayment

Council will repay debt from specific reserves, available bank facilities, or general funds.

Specific borrowing limits

Council acknowledges the potential implications of risk arising from systemic changes in financial or capital markets. Such changes relate primarily to movements in interest rates. In managing this, Council adheres to the following:

- Total debt will not exceed 20% of total carrying value of assets.
- The gross debt for rateable activities (debt on activities for which the cost of servicing is included in the rating requirement) will not exceed \$4,700 per rateable property.
- Net debt¹⁶ will not exceed 175% of total revenue.
- Gross interest paid on term debt will not exceed 15% of total revenue.

Security

Generally, a charge on rates is offered as security. Should any other form of security be required, Council has to formally approve it.

Internal borrowing

Council currently holds a sizeable investment portfolio. Council may use these funds in a prudent manner that provides Council with the greatest benefit, including utilising a portion as internally funded borrowing. This can reduce the net interest cost payable by Council.

- Corporate Services is responsible for administering the internal loan portfolio
- Council will maintain a sufficient investment portfolio to meet its commitments and reasonable emergency contingencies.
- The interest rate charged on loan balances is equivalent to the higher of:
 - Average external cost of raising debt, or
 - The average return on Council fixed interest rate investments

New Zealand Local Government Financing Agency (LGFA)

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.'

Reporting

Reports are presented to Council each month as part of the financial report. As a minimum the following information will be reported at least quarterly which contains the following key details of Council's debt and hedging profile.

- Total debt facility utilisation.
- Interest rate hedging profile against percentage hedging limits (graphically illustrated).
- New interest rate hedging transactions completed.
- Weighted average cost of funds.
- Funding maturity profile.

¹⁶ net debt means financial liabilities less financial assets (excluding trade and other receivables) – refer section 3 of Local Government (Financial Reporting and Prudence) Regulations 2014

- Details of liquidity.
- A statement of policy compliance.
- Details of any exception reports including remedial action taken or intended to be taken.

Organisational structure and internal controls

Full Council

- Approve the Investment Policy and Liability Management Policy including any amendments proposed by the Chief Executive.
- Approve any hedging outside the parameters of the Liability Management Policy.
- Approve the use of any risk management products not authorised by the Liability Management Policy.
- Approve on an individual basis investments in Building Societies.
- Monitor treasury performance through receipt of appropriate reporting.
- Approve overall borrowing limits on an annual basis through the Annual Plan process.

Chief Executive

- In the absence of the Corporate Services Manager oversee the funding, liquidity, interest rate risk management and financial market investment activities of Council.
- In the absence of the Corporate Services Manager undertake all his/her duties as detailed in the Delegations Manual or delegate the duties as appropriate.
- Sign documents relating to the financial market activities of Council.

Corporate Services Manager

- Make decisions regarding all funding, liquidity and interest rate risk management activities of Council prior to implementation/execution.
- Review of Council's equity investments and exercising of any voting rights.
- Make decisions regarding all financial market investment activities of Council prior to execution.
- Report to Council on overall treasury activity on a regular basis.
- Manage the bank lender and capital markets relationships, providing financial information to lenders and negotiate new/amended borrowing facilities or methods for approval by Council.
- Conduct a review of the Investment Policy and Liability Management Policy every three years or on an 'as required' basis and submit any recommended changes to Council for approval once the necessary statutory processes have been followed.
- Sign documents relating to the financial market activities of Council.
- Execute treasury transactions in the absence of the Accountant.
- Sign documents relating to the financial market activities of Council.
- Check external confirmations against internal records.

Accountant

- In the absence of the Corporate Services Manager, undertake all his/her the duties under a delegated authority.
- Execute treasury transactions.
- Assist the Corporate Services Manager in the preparation of reports to Council.
- Check external confirmations against internal records.

Significance & Engagement Policy

Adopted	26 November 2014	Review period	Three yearly
Last reviewed	12 August 2019	Next review due	1 January 2024
Approved by	Council	Minute reference	21/03/230
Policy owner	Chief Executive Officer	Adoption Date	29 March 2021

Purpose

To inform and enable both Grey District Council and the community to identify the degree of significance attached to decisions.

This policy will tell you:

- When the community can expect to be engaged in Council's decision-making processes.
- How the Council is likely to engage with the community.
- How Council will assess the significance of the decisions.

Introduction

The Local Government Act (LGA) 2002 states that one role of a Council is to enable democratic local decision-making and action by, and on behalf of, communities. This policy explains how Council will decide the level of significance that a matter has, the types of matters where the community will be involved in the decision-making process and when the community can expect Council to make a decision on its behalf.

There are many informal ways that Council engages with the community during its everyday business which helps to inform it on community views. There are also decisions that a Council must make which require a more structured form of engagement. This is because of the importance that a matter has within the wider community or for groups within the community.

The first part of this policy sets out how Council will decide whether or not a matter is 'significant'. The second part of this policy sets out when and how the community's views will be heard on these significant, and other, matters.

Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
Consultation	A subset of engagement; A formal process where the community can present their views to the Council on a specific decision that is proposed and made public.
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant.
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making.
Significance	As defined in Section 5 of the Local Government Act (LGA) 2002 "in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the

	<p>degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,</p> <p>(a) the district or region:</p> <p>(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:</p> <p>(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so”</p>
Special Consultative Procedure	<p>The Special Consultative procedure (SCP), as outlined in s83 of the LGA 2002, which sets out minimum requirements for engagement including (but not limited to):</p> <ul style="list-style-type: none"> • Making available a Statement of Proposal. • Allowing a minimum of one (1) month to receive written views. • Allowing persons to present views in a spoken manner.
Statement of Proposal	<p>A document that provides the basis for consultation with the community under the SCP by setting out the Council’s proposition with respect to a particular decision.</p>
Strategic Asset	<p>As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—</p> <p>(a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and</p> <p>(b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and</p> <p>(c) any equity securities held by the local authority in—</p> <p>(i) a port company within the meaning of the Port Companies Act 1988:</p> <p>(ii) an airport company within the meaning of the Airport Authorities Act 1966”</p>
Sub-group	<p>Means a general assortment of people within the community that are recognised as a relatively large group or collection, i.e Users of particular area, service or facility in the community.</p>

Determining Significance

- 4.1 Local authorities must make decisions about a wide range of matters and most will have a degree of significance but not all issues will be considered to be ‘significant’. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs.
- 4.2 Council will take into account the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:
- Whether the asset is a strategic asset as listed in *Schedule 3* of this policy.
 - The impact on levels of service provided by Council or the way in which services are delivered.
 - The degree of impact on Council’s debt or the level of rates it charges.
 - Whether it is considered there is significant un-budgeted expenditure (i.e. Unbudgeted Capital Expenditure of more than 10% of total rates value in the year commenced or Unbudgeted Operating Expenditure of more than 1% of total rates value in the year commenced).
 - Whether the decision is reversible and the likely impact on future generations.
 - The impact on the community, how many people are affected and by how much.

- Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy, or strategy.
- If there is a history or reasonable expectation of the issue generating wide public interest within the district.

4.3 It may be that only one of the criteria applies but to such a high degree that the decision will be considered 'significant'. Conversely, several criteria may be applicable but to only a low degree and therefore will be considered to have a lower level of significance. Each decision will involve staff making an assessment for consideration by elected members. *Schedule 1* of this policy sets out how the criteria will be used to assess significance.

Community Engagement

- 5.1 The ways engagement can take place are varied and will be in proportion to the significance of the matter being considered.
- 5.2 There are situations where Council is required to make use of the special consultative procedure as set out in Section 83 of the Local Government Act 2002 or where Council will carry out consultation in accordance with or giving effect to Section 82 of the LGA 2002 on certain matters (regardless of whether they are considered significant as part of this policy). Please refer to *Schedule 1*.
- 5.3 In other engagement processes, however, there are no explicit statutory or legal rules constraining or defining community engagement processes. The Local Government Act 2002 has given local authorities the ability to determine this as appropriate for their communities.
- 5.4 Outside of matters where it remains mandatory for a special consultative procedure to be undertaken, Council will determine the appropriate level of engagement on a case by case basis.
- 5.5 Council may decide that it will use a special consultative procedure if the matter is of high significance, or it may choose another form of appropriate consultation. In instances where significance is judged to be moderate, engagement with the community could involve consulting through an advisory committee or focus group, public meetings or surveys. Refer to *Schedule 2*.
- 5.6 When Council decides that a matter is of low to moderate significance, or in instances where it is considered that the views of the community are already known, it may make a decision on behalf of the community and then inform the community of the outcome. This may be, for instance, through publication on the Council website, in the local media or other appropriate means.
- 5.7 When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

Principles of Engagement

- 6.1 In any engagement process undertaken with the community, that engagement will be in proportion to the matter being considered. When any engagement takes place, other than simply providing information, we will:
- Seek to hear from everyone affected by a decision.
 - Ask for views early in the decision-making process so that there is enough time for feedback to be provided and for this to be considered properly.
 - Listen and consider views in an open and honest way.
 - Respect everyone's point of view.
 - Provide information that is clear and easy to understand.
 - Consider different ways in which the community can share views with us.
 - Ensure that the engagement process is efficient and cost effective.

Information Requirements

- 7.1 Council will ensure that, when conducting any engagement or consultation process in relation to a significant decision, it provides:

- Clear information on what is being proposed and why it is being proposed.
- Sufficient information on which to provide meaningful feedback.
- The advantages and disadvantages of each option being considered.
- What impacts, if any, will occur if the proposal goes ahead.
- How the community can provide its views.
- The timeframe to complete the community engagement or consultation.
- How submitters and participants can learn about the outcome.

Engagement with Iwi

- 8.1 Council recognises the Partnership/Rangapu Committee and Memorandum of Understanding with Te Rūnanga O Ngāti Waewae as a basis of engagement with Tangata Whenua within the district.
- 8.2 Council recognises that Maori as Tangata Whenua have a unique relationship with Council through the Treaty of Waitangi and supporting legislation.
- 8.3 Council will recognise Maori cultural values and consider Maori interests, particularly their relationship to land and water.
- 8.4 Council will establish and maintain processes to provide opportunities for Maori to be consulted and contribute to decision-making processes. In doing so, Council acknowledges that when engaging with Maori face to face meetings are preferred. Other tools such as Heads of Agreement, Memorandums of Understanding or other similar high-level agreements may also be considered.

When Will Council Not Engage?

- 9.1 There are times when it will not be appropriate to engage with the community on certain matters. Examples of this include where the Council:
 - Is protecting the privacy and safety of individuals (as provided for in the Privacy Act 1993).
 - Is maintaining confidentiality and/or commercial sensitivity to enable Council to carry out commercial activity or negotiations without prejudice (as provided for in the Local Government Official Information and Meetings Act 1987).
 - Is acting with urgency in a crisis (for example, under the Civil Defence Emergency Management Act 2002).
 - Already has clear direction on a strategy or plan and has already made up its mind about an issue and therefore does not have a sufficiently open mind to carry out meaningful engagement.

Delegations

- 10.1 Elected Members will retain all decision-making authority relating to the determination of the significance of issues, proposal and decisions and how we engage on those.

SCHEDULE 1 – Guide to Significance and Criteria

This table provides general guidance for applying the significance criteria.

Rating	Key Considerations	Examples	Engagement
High	<ul style="list-style-type: none"> Affects a wide range of people Has high public interest Large consequences for the district or region Large impact on the Council being able to perform its role Highly difficult to reverse Does not have a strong and logical flow from a prior decision 	<ul style="list-style-type: none"> Adopting or amending a significant bylaw, where there is high public interest Adopting a policy that has wide community interest A major change to Council user fees and charges that affects a wide range of outside of the Long-Term Plan process Long-Term Plan Consultation Document Sale or Disposal of a strategic asset A major non-essential infrastructure project that has not previously been signalled through Long-Term or Annual Plan processes 	<p>If a matter is of high significance, Council must engage with the community under this policy. This will likely involve large scale publicity and promotion. There could be an informal engagement or discussion phase plus a formal phase of consultation. There is likely to be a need of consideration of different cultural styles and needs for engagement. Likely to include a range of events with online activities included in this.</p> <p>Refer to Schedule 2 – Community Engagement Guide, likely to include Inform, Consult, Involve and possibly Collaborate.</p>
Moderate	<ul style="list-style-type: none"> Affects sub-group of the community Has moderate public interest Moderate consequences for the district or region Moderate impact on Council being able to performs its role Moderately difficult to reverse Flows from a prior decision but with some notable variations 	<ul style="list-style-type: none"> An amendment or adoption of a bylaw that will affect a sub-group or have moderate public interest Adoption of a policy that has moderate community interest A change to Council user fees and charges that affects a sub-group Adoption of an Annual Plan 	<p>If a matter is of moderate significance, Council may decide on an appropriate level of engagement to the level of significance attached to the amendment, adoption, or change. It may involve targeted engagement with the affected audience, online engagement which may include a survey and social media. Information available through libraries and services centres. Promotion could be online, the local media or through the printed Council newsletter.</p> <p>Refer to Schedule 2 – Community Engagement Guide, likely to include Inform or Consult.</p>
Low	<ul style="list-style-type: none"> Affects individuals Has very little public interest Low consequences for the district or region Low impact on Council being able to performs its role 	<ul style="list-style-type: none"> A minor amendment to a policy. Adoption of a policy that has low public interest and does not affect the wider community or a sub-group. A moderate change in the way an activity operates A minor investment A minor change to user fees and charges 	<p>If a matter is of low significance the Council can choose to not engage unless required by legislation, otherwise may choose to adopt some of the methods above.</p> <p>Refer to Schedule 2 – Community Engagement Guide, could include Inform if desired.</p>

SCHEDULE 2 – Community Engagement Guide

The level to which the Council will engage will align with the significance of the decision to be made as per the scale provided in *Schedule 1*. It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions. In general, the more significant an issue, the greater the need for community engagement.

Level	Goal
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and or solutions.
Consult	To obtain public feedback on analysis, alternatives and or decisions.
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
Collaborate	To partner with the public in each aspect of the decision including the development of alternatives and identification of the preferred solution.
Empower	To place final decision making in the hands of the public.

There are many ways we engage with the community; Council may use a variety of engagement tools. The tools in the table below show some examples that Council may use, some of these tools may be used across the many levels of engagement.

Inform	Consult	Involve	Collaborate
Public Notices	Written submissions	Stakeholder workshops	Community/Stakeholder
Press Release	Public meetings	Seminars	working groups
Advertisements	Public drop-in session	Exhibitions	Community advisory
Email	Social media	Open days	groups
Information flyers	Attendance at community	Public drop-in sessions	Partnership forums
Radio advertising	group meeting		Citizens panels
Social media	Information stands		
Website	(field days, community		
Council agendas	markets etc)		
	Surveys		

SCHEDULE 3 – Strategic Assets

The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

- Roading and traffic network, footpaths, streetlights and parking
- Council's housing portfolio
- Council's leasehold portfolio
- Water, treatment, storage, and reticulation network
- Wastewater reticulation and treatment facilities
- Stormwater network
- Reserves
- Public toilets
- Cemeteries
- Solid Waste
- Port
- Floodwalls
- Aerodrome
- Community facilities
- Council Administration Buildings

However, not all decisions made regarding these assets will be significant. For example, the road and traffic network is strategic, but the purchase or sale of small land parcels that make up the network may not amount to a significant decision.

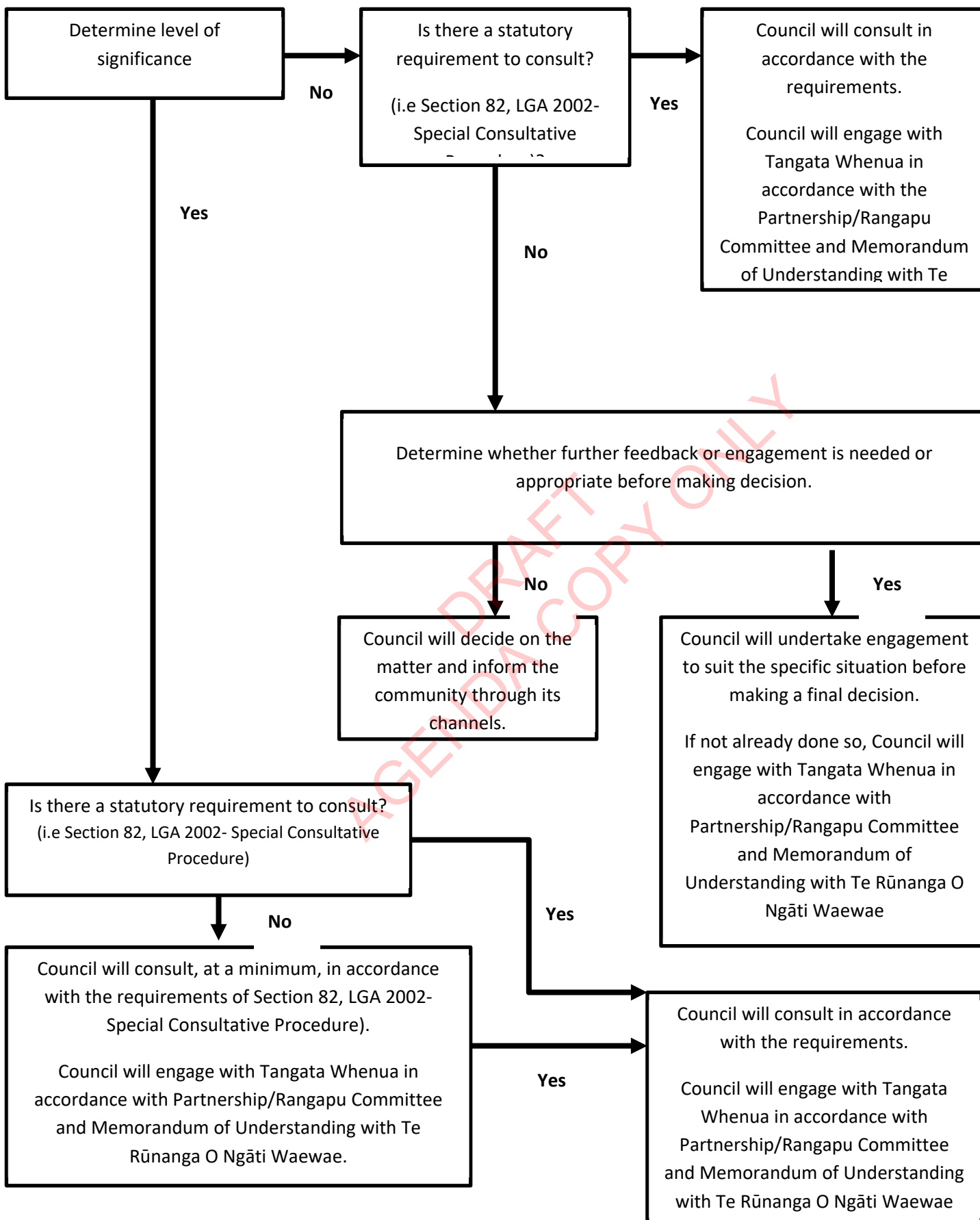
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SCHEDULE 4 – Relevant Legislation and References

- Local Government Act 2002
- Privacy Act 1993
- Local Government Official Information and Meetings Act 1987
- Civil Defence Emergency Management Act 2002
- Port Companies Act 1988
- Airport Authorities Act 1966
- Memorandum of understanding – Grey District Council and Te Rūnanga O Ngāti Waewae
- Grey District Branding and Style Guide 2015

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SCHEDULE 4 – Process to determine how to engage



PART I: Fees and charges

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Council services and facilities

Errors and Omissions Excepted

These fees cover the major items charged out by Council and are not a comprehensive list of all fees and charges.

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

Aerodrome

Aerodrome		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Aircraft weight (kg) MCTOW				
0 - 600	per landing	\$6.00	\$6.50	8.30%
601- 1,500	per landing	\$10.00	\$11.00	10.00%
1,501 - 2,500	per landing	\$16.00	\$17.00	6.30%
2,501 - 3,500	per landing	\$24.00	\$25.00	4.20%
3,501 - 4,500	per landing	\$35.00	\$36.00	2.90%
4,501 - 5,700	per landing	\$49.00	\$50.00	2.00%
Helicopters	per landing	\$6.00	\$7.00	16.70%
Lights	per activation	\$7.00	\$8.00	14.30%
Account processing fee	per account processing	\$8.00	\$9.00	12.50%
Events				
Closure for events - runway only	per day or part thereof		\$2,000.00	NEW
Closure for events - aerodrome excluding runway (i.e. laneways)	per day or part thereof		\$3,000.00	NEW
Closure for events - aerodrome including runway	per day or part thereof		\$5,000.00	NEW
Note:				
• Touch and Go Practice Landings treated as One Landing				
• Discounts and flat fees available for bulk advanced payments by regular users and/or clubs				
• Rates for aircraft weights above 5700kg available on application and clearance to use facility				
• Closure of runway or aerodrome for events is subject to conditions, including access for emergencies				

Animal Control2020/2021 fee
including GSTProposed
2021/2022
fee
including
GST

increase

Dog Registration

Pet		\$97.00	\$107.00	10.30%
Desexed		\$72.50	\$80.00	10.30%
Working		\$40.50	\$45.00	11.10%
Late Registration		\$145.50	\$160.50	10.30%

Dog Impounding

1st Offence		\$80.00	\$88.00	10.00%
2nd Offence		\$159.00	\$175.00	10.10%
3rd Offence		\$237.00	\$261.00	10.10%
Sustenance	<i>per day per dog</i>	\$12.00	\$12.00	

Stock Impounding

Impounding fee	<i>per head of stock</i>	\$120.50	\$133.00	10.40%
Sustenance	<i>per day</i>	cost recoverable	cost recoverable	
Any additional costs associated with impoundment, ie trailer or transporter hire		cost recoverable	cost recoverable	

After Office Hours

Applicable Fee above Plus		staff hourly rate + mileage	staff hourly rate + mileage	
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Building2020/2021 fee
including GSTProposed
2021/2022
fee
including
GST

increase

Except for set fees, all fees listed are DEPOSITS only. The balance will be charged at the rates specified.

Central government levies (BRANZ & DBH) are payable in addition to these fees - these are calculated on the cost of the building work and are advised at the time of lodging your consent.

Charged to all consent applications

Building Consent Accreditation levy	<i>per \$1,000 of building work</i>	\$4.20	\$5.60	33.30%
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Set Fees

BWOF - receiving and checking on or before due date		\$298.40	\$397.00	33.00%
BWOF - receiving and checking after due date		\$594.40	\$791.00	33.10%
BWOF Audits		at cost	at cost	
Consent extension request		\$183.20	\$244.00	33.20%

Deposits Only (Costs to be Charged based on Actual Time)

PIM (only)	<i>deposit only</i>	\$250.00	\$332.50	33.00%
CCC processing fee (applied to all consents with deposit based fees)	<i>deposit only</i>	\$260.00	\$346.00	33.10%
Schedule 1 exemption application	<i>deposit only</i>	\$150.00	\$200.00	33.30%

Deposits Only, CCC fee included (Costs to be Charged based on Actual Time)

Fire Installations	<i>deposit only</i>	\$461.50	\$614.00	33.00%
Minor building works (<\$5,000 and not listed elsewhere in this schedule)	<i>deposit only</i>	\$518.50	\$690.00	33.10%
Minor plumbing & drainage (incl separation of services where no septic tank)	<i>deposit only</i>	\$460.00	\$612.00	33.00%
Separation of services with disconnection of septic tank	<i>deposit only</i>	\$642.00	\$854.00	33.00%
Relocated buildings	<i>deposit only</i>	\$1,766.50	\$2,349.50	33.00%
Marquees	<i>deposit only</i>	\$285.50	\$380.00	33.10%

Building		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Residential - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)				
Garages/carports	<i>deposit only</i>	\$770.50	\$1,025.00	33.00%
Garden Sheds	<i>deposit only</i>	\$770.50	\$1,025.00	33.00%
Minor Alterations	<i>deposit only</i>	\$1,000.00	\$1,330.00	33.00%
Major Alterations	<i>deposit only</i>	\$1,695.50	\$2,255.50	33.00%
Pre-fab construction dwellings	<i>deposit only</i>	\$2,771.50	\$3,686.50	33.00%
New Dwellings	<i>deposit only</i>	\$3,724.00	\$4,953.00	33.00%
Multi-Unit Residential	<i>deposit only</i>	\$5,310.50	\$7,063.00	33.00%
Demolition - large /commercial		\$746.00	\$992.50	33.00%
Demolition - residential		\$396.00	\$527.00	33.10%
Industrial/Commercial - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)				
Minor alterations	<i>deposit only</i>	\$1,091.00	\$1,451.50	33.00%
Major Alterations	<i>deposit only</i>	\$2,861.00	\$3,805.50	33.00%
Farm Buildings	<i>deposit only</i>	\$675.00	\$898.00	33.00%
Workshops	<i>deposit only</i>	\$1,750.00	\$2,327.50	33.00%
Dairy sheds	<i>deposit only</i>	\$3,174.00	\$4,221.50	33.00%
Shop/Office - single	<i>deposit only</i>	\$3,814.00	\$5,073.00	33.00%
Shop/Office - complex	<i>deposit only</i>	\$5,712.50	\$7,598.00	33.00%
Industrial/commercial multi-function complex	<i>deposit only</i>	\$9,204.50	\$12,242.00	33.00%
Outbuildings	<i>deposit only</i>	\$770.50	\$1,025.00	33.00%
Ancillary	<i>deposit only</i>	\$770.50	\$1,025.00	33.00%
Communal residential				
Community service	<i>deposit only</i>	\$5,712.50	\$7,598.00	33.00%
Community care	<i>deposit only</i>	\$5,712.50	\$7,598.00	33.00%
Communal non-residential				
Assembly service	<i>deposit only</i>	\$5,712.50	\$7,598.00	33.00%
Assembly care	<i>deposit only</i>	\$5,712.50	\$7,598.00	33.00%
Certificate of Public Use		\$429.60 flat fee plus hourly rate	\$571.50 flat fee plus hourly rate	33.00%
Compliance Schedule		\$429.60 flat fee plus hourly rate	\$571.50 flat fee plus hourly rate	33.00%
Consultants/Peer Review		at cost	at cost	
Comments on Draft Applications/Pre application advice (note first HALF HOUR free then staff hourly rates)		staff hourly rates	staff hourly rates	
Detailed Engineering Evaluations (DEE) for Earthquake Prone Buildings		recovered at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building	recovered at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building	

Building	2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Enforcement			
Swimming pool re-inspection	staff hourly rate (refer charge-outs)	staff hourly rate (refer charge-outs)	
Legal advice and Consultants	\$379/hour (not more than)	\$504.5/hour (not more than)	33.10%
Work done for a Certificate of Acceptance	100% loading on normal charges	100% loading on normal charges	
Work done following a Notice to Fix	100% loading on normal charges	100% loading on normal charges	
Cemeteries			
Plot purchase			
Plot Purchase	\$445.10	\$454.10	2.00%
Cremation Berm	\$178.90	\$182.50	2.00%
Baby Plots	\$104.50	\$106.60	2.00%
RSA Plots	No Charge	No Charge	
Paupers' Plots	No Charge	No Charge	
Maintenance in perpetuity			
Single Plot	\$667.50	\$680.90	2.00%
Cremation Berm	\$178.90	\$182.50	2.00%
Baby Plots	\$134.00	\$136.70	2.00%
RSA Plots	No Charge	No Charge	
Paupers' Plots	No Charge	No Charge	
Interment			
12 years and over	\$371.10	\$378.60	2.00%
Under 12 Years	\$148.70	\$151.70	2.00%
Stillborn	\$74.90	\$76.40	2.00%
Ashes	\$148.70	\$151.70	2.00%
Disinterment	\$475.20	\$484.80	2.00%
Re-interment	\$475.20	\$484.80	2.00%
Disinterment Ashes	\$189.30	\$193.10	2.00%
Re-interment Ashes	\$189.30	\$193.10	2.00%
Extra Depth (over 6ft)	\$148.70	\$151.70	2.00%
Weekend & Public Holidays	<i>additional charge</i> \$267.30	\$272.70	2.00%
Lowering Device	\$53.20	\$54.30	2.10%
Memorial Permit	\$38.40	\$39.20	2.10%

Health		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Food Licensing				
Initial Registrations and Renewals for Food Control Plans		\$105.00	\$124.00	18.10%
Initial Registrations and Renewals for National Programmes		\$105.00	\$124.00	18.10%
All further work (including verification, audits, investigation enforcement and administration)		hourly rate per appropriate Council officer	hourly rate per appropriate Council officer	
Food Gr 1		\$552.50	N/A	
Food Gr 2		\$797.50	N/A	
Food Gr 3		\$1,062.50	N/A	
No Kitchen facilities		\$268.50	\$317.00	18.10%
Hairdressers		\$150.00	\$177.00	18.00%
Camping/Offensive Trades		\$507.00	\$598.50	18.00%
Mortuaries		\$105.00	\$124.00	18.10%
Libraries				
Loan				
New Fiction	<i>per book per two weeks</i>	\$2.00	N/A	
Hot Picks Collection (selected new adult fiction and non-fiction)	<i>per book per two weeks</i>		\$3.00	NEW
Rental Adult Fiction	<i>per book per three weeks</i>	\$1.00	\$1.00	
Non-Fiction	<i>per book per three weeks</i>	No charge	No charge	
All children's materials	<i>per book per three weeks</i>	No charge	No charge	
Large print	<i>per book per three weeks</i>	\$1.00	\$1.00	
Large print subscription	<i>Unlimited loans for 12 months</i>	\$12.50	\$12.50	
Talking Books/audios *	<i>per unit per three weeks</i>	\$1.00	\$2.00	100.00%
* no charge for children's & for people with disabilities				
DVDs (Adults)	<i>per unit per week</i>	\$2.00	\$3.00	50.00%
DVDs (Junior)	<i>per unit per three weeks</i>	\$0.50	\$1.00	100.00%
Magazines	<i>per unit per two weeks</i>	\$0.50	\$0.50	
Fines				
Adult	<i>per day (max \$10 per item)</i>	\$0.30	\$0.30	
Young adult and children's cards		N/A	N/A	
Other				
Book Reserve Fee	<i>per book</i>	\$1.00	\$1.00	
Non Resident Subscription	<i>12 months</i>	\$60.00	\$60.00	
	<i>six months</i>	\$30.00	\$30.00	
	<i>three months</i>	\$15.00	\$15.00	
Visitor Membership	<i>per month</i>	\$15.00	\$15.00	
Replacement Library Card	<i>each</i>	\$5.00	\$5.00	
Interloan from National Library of New Zealand and Interloan partnership libraries	<i>per book</i>	\$6.70	\$6.70	
Interloan with libraries without agreement	<i>per book plus any other charges above standard charges</i>	\$22.00	\$22.00	
Damaged Book Charges - Adult	<i>per book</i>	at cost	at cost	
Photocopying				
Normal A4 - black and white	<i>per single sided sheet</i>	\$0.20	\$0.20	
Normal A4 - colour	<i>per single sided sheet</i>	\$2.00	\$2.00	

Libraries

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Normal A3 - black and white	<i>per single sided sheet</i>	\$0.40	\$0.40	
Normal A3 - colour	<i>per single sided sheet</i>	\$4.00	\$4.00	
Aotearoa People's Network Printing				
Normal A4 - black and white	<i>per single sided sheet</i>	\$0.20	\$0.20	
Normal A4 - black and white	<i>per double sided sheet</i>	\$0.40	\$0.40	
Normal A4 - colour	<i>per single sided sheet</i>	\$2.00	\$2.00	
Normal A4 - colour	<i>per double sided sheet</i>	\$4.00	\$4.00	

Museum

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Photographs	<i>Per scan and copy - A4</i>	\$10.00	\$15.00	50.00%
Photographs	<i>Per scan and copy - A3</i>	\$20.00	\$25.00	25.00%
Photographs	<i>Per digital image supplied</i>	\$20.00	\$20.00	
Research undertaken	<i>Initial research query (up to 30 minutes)</i>		\$5.00	NEW
Research undertaken	<i>per hour</i>		\$30.00	NEW

Noise Control

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Noise control - call out		\$120.00	\$234.00	95.00%
Seizure of equipment		\$120.00	\$234.00	95.00%

Official Information

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Property file queries	<i>per hour</i>	\$92.00	\$125.00	35.90%
Property file requests	<i>per file</i>	\$20.00	\$27.00	35.00%
LIMs		\$340.00	\$450.00	32.40%
Noise control - call out		\$120.00	\$234.00	95.00%
Seizure of equipment		\$120.00	\$234.00	95.00%

Other Regulation

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Trading in Public Places Licence		\$195.00	\$200.00	2.60%
Abandoned Vehicles				
Towage		\$646.50 + COST	\$659.5 + COST	2.00%
Inspection & Administration	<i>per hour</i>	staff hourly rate + mileage	staff hourly rate + mileage	
Storage of Vehicle	<i>per day</i>	\$13.50	\$14.00	3.70%

Other Regulation		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Amusement Devices				
One Device		\$20.50	\$21.00	2.40%
Each Additional Device		\$5.50	\$6.00	9.10%
Each Device for a further period of 7 days		\$3.20	\$3.50	9.40%
Other Enforcement				
Legal advice and Consultants		\$379.00/hour (not more than)	\$387/hour (not more than)	2.10%
Parking				
Private carpark rental	per quarter (13 weeks)	\$167.70	\$208.00	24.00%
Moana boat trailer park	per 24 hours	\$5.00	\$10.00	100.00%
	annual concession	\$100.00	\$150.00	50.00%
Planning				
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%

Planning

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Certificate of compliance	<i>deposit only</i>	\$306.00	\$444.00	45.10%
s357 objection	<i>deposit only</i>	\$459.00	\$666.00	45.10%
Consent variation - non-notified	<i>deposit only</i>	\$416.00	\$603.50	45.10%
Consent variation - notified	<i>deposit only</i>	\$793.00	\$1,150.00	45.00%
Permitted boundary activity (s87BA)	<i>deposit only</i>	\$306.00	\$444.00	45.10%
Deemed permitted activity (s87BB)	<i>deposit only</i>	\$479.50	\$695.50	45.00%
Outline Plan	<i>deposit only</i>	\$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	<i>flat fee paid upon granting of land-use consent</i>	\$135.00	\$150.00	11.10%
Resource Consent Monitoring of Conditions		staff hourly rates	staff hourly rates	

Retirement Housing

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Tenancies existing prior to 1 July 2020 will incur a \$5 per week increase (and additional charge for couple in one bedroom if applicable) for 2020/2021.				
One bedroom units				
Rental - Greymouth	<i>per week</i>	\$118.00	\$123.00	4.20%
Rental - Blaketown, Dobson & Runanga	<i>per week</i>	\$103.00	\$108.00	4.90%
Additional charge for couple in one bedroom unit	<i>per week</i>	\$20.00	\$30.00	50.00%
Two bedroom units				
Greymouth	<i>per week</i>	\$180.00	\$187.00	3.90%

Roading

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Utilities Connection Consent - On Council Road		Nil	\$150.00	150.00%
Utilities Connection Consent - On Waka Kotahi NZ			\$650.00	NEW
Transport Agency Road (includes \$500 Waka Kotahi fee)				

Sewerage		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Financial Contributions				
Moana	per lot	\$5,614.00	\$5,727.00	2.00%
South Beach/Paroa	per lot	\$13,445.00	\$13,714.00	2.00%
Karoro	per lot	\$3,229.00	\$3,294.00	2.00%
<i>Other contributions to proposed 'as required' works may be set through separate consultative procedures</i>				
Trade Waste Charges				
All Greymouth wastewater treatment plants	per cubic metre	\$0.69	\$0.71	2.90%
Blackball Treatment plant	per cubic metre	\$0.69	\$0.71	2.90%
Karoro Treatment plant	per cubic metre	\$0.69	\$0.71	2.90%
Runanga treatment plant	per cubic metre	\$0.69	\$0.71	2.90%
Solid Waste (Refuse & Recycling)				
		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
McLeans Landfill				
Refuse				
Commercial Refuse*	per tonne	\$358.00	\$394.00	10.10%
Mixed Domestic Waste*	per tonne	\$358.00	\$394.00	10.10%
Hardfill/Soil*	per tonne	\$358.00	\$394.00	10.10%
TVs and ewaste*	per tonne	\$358.00	\$394.00	n/a
Refuse Bag with Council issued tie	per bag	Free	Free	
Refuse Bag without Council issued tie*	per bag	\$5.00	\$5.50	10.00%
* minimum charge per weighbridge entrance (trip over weighbridge)		\$13.20	\$14.60	10.60%
Tyres				
Car, Motorbike	per tyre	\$8.50	\$9.40	10.60%
4WD	per tyre	\$8.50	\$9.40	10.60%
Truck	per tyre	\$15.30	\$16.90	10.50%
Tractor	per tyre	\$16.00	\$17.60	10.00%
Specialist Industrial	per tyre	\$35.40	\$39.00	10.20%
Other				
Unprepared Car Bodies	per car	\$67.60	\$74.40	10.10%
Paint/Solvents	per litre	\$3.20	\$3.60	12.50%
McLeans Recycling Centre				
Recyclables				
Commercial Recycling	per tonne	N/A	\$125.00	NEW
Recyclable Plastics		Free	Free	n/a
Recyclable Paper		Free	Free	n/a
Recyclable Cardboard		Free	Free	n/a
Recyclable Aluminium Cans		Free	Free	n/a
Recyclable Tin Cans		Free	Free	n/a
Recyclable Glass		Free	Free	n/a
Recyclable Light Scrap Metal		Free	Free	n/a
Recyclable Heavy Scrap Metal		Free	Free	n/a
Recyclable Whiteware		Free	Free	n/a
Empty LPG Bottles		Free	Free	n/a
Prepared Car Bodies		Free	Free	n/a
Green waste				
<i>Garden matter, leaves, branches, weeds, unsprayed lawn clippings (no cabbage tree leaves)</i>				

Solid Waste (Refuse & Recycling)

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Domestic & Commercial - large vehicles incl. Trailers	<i>per tonne</i>	Free	Free	n/a
Domestic station wagons/small 4x4's	<i>fixed fee</i>	Free	Free	n/a
Resource Centres (Moana/Blackball/Nelson Creek)				
Refuse Bag with Council issued tie	<i>per bag</i>	Free	Free	
Refuse Bag without Council issued tie	<i>per bag</i>	\$5.00	\$5.50	10.00%
Car Boot	<i>per load</i>	\$31.70	\$34.90	10.10%
Station wagon	<i>per load</i>	\$48.00	\$52.80	10.00%
Utility Vehicle/Van	<i>per load</i>	\$48.00	\$52.80	10.00%
Single axle trailer	<i>per load</i>	\$63.20	\$69.60	10.10%
Tandem Trailer	<i>per load</i>	\$103.40	\$113.80	10.10%
Truck under 5m³, uncompacted general waste	<i>per load</i>	\$226.80	\$249.50	10.00%
Truck under 5m³, compacted general waste or dense material such as building waste.	<i>per load</i>	\$359.00	\$394.90	10.00%
Other				
Refuse ties	<i>each</i>	\$4.00	\$5.00	25.00%

Water

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Financial Contributions				
South Beach/Paroa	<i>per lot</i>	\$4,617.00	\$4,710.00	2.00%
Karoro	<i>per lot</i>	\$1,479.00	\$1,509.00	2.00%

Other contributions to proposed 'as required' works may be set through separate consultative procedures

Westland Recreation Centre Swimming Pool

		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
CASUAL ADMISSION				
Pool				
Adult		\$5.70	\$6.00	5.30%
Community Card Holder (CCH)/Student/Senior		\$4.70	\$4.00	-14.90%
Children (5-17 years)		\$3.70	\$4.00	8.10%
Children under 5 years - free with a paying adult		\$0.00	\$0.00	
Spectators		free	free	
Aquacise class	<i>Adult</i>	\$6.70	\$7.00	4.50%
	<i>CCH/Student/Senior</i>	\$5.20	\$5.50	5.80%
Hydroslide				
Adult	<i>unlimited rides during session</i>	\$5.70	\$6.00	5.30%
Community Card Holder/Student/Senior	<i>unlimited rides during session</i>	\$4.70	\$4.00	-14.90%
Children (5-17 years)	<i>unlimited rides during session</i>	\$3.70	\$4.00	8.10%
Fitness				
Multi	<i>Adult</i>	\$26.00	\$30.00	15.40%
	<i>CCH/Student/Senior</i>	\$21.00	\$25.00	19.00%
Gym only	<i>Adult</i>	\$15.50	\$16.00	3.20%

Westland Recreation Centre Swimming Pool

2020/2021 fee
including GSTProposed
2021/2022
fee
including
GST

increase

Group Fitness Class only	CCH/Student/Senior	\$12.50	\$13.00	4.00%
	Adult	\$15.50	\$16.00	3.20%
	CCH/Student/Senior	\$12.50	\$13.00	4.00%
Casual Stadium Use				
Per person	per hour	\$2.00	\$2.20	10.00%
Per person - concession card	20 sessions	\$38.00	\$41.80	10.00%
MEMBERSHIPS				
Pool (pools, spa and sauna but excluding hydrolides)				
Adult	1 month		\$57.20	NEW
	3 months	\$172.50	\$156.00	-9.60%
	6 months	\$314.50	\$280.80	-10.70%
	12 months	\$571.00	\$530.40	-7.10%
	Pay as you go - per week *		\$12.00	NEW
Community Card Holder/Student/Senior	1 month		\$47.70	NEW
	3 months	\$138.50	\$130.00	-6.10%
	6 months	\$251.50	\$234.00	-7.00%
	12 months	\$457.00	\$442.00	-3.30%
	Pay as you go - per week *		\$10.00	NEW
Children	1 month		\$47.70	NEW
	3 months	\$103.00	\$130.00	26.20%
	6 months	\$189.50	\$234.00	23.50%
	12 months	\$343.00	\$442.00	28.90%
	Pay as you go - per week *		\$10.00	NEW
Gym (access to the gym only)				
Adult	1 month		\$64.40	NEW
	3 months		\$175.50	NEW
	6 months		\$315.90	NEW
	12 months		\$596.70	NEW
	Pay as you go - per week *		\$13.50	NEW
Community Card Holder/Student/Senior	1 month		\$54.80	NEW
	3 months		\$149.50	NEW
	6 months		\$269.10	NEW
	12 months		\$508.30	NEW
	Pay as you go - per week *		\$11.50	NEW
Group Fitness (access to group fitness classes only, some exclusions apply, e.g. Over 50's)				
Adult	1 month		\$64.40	NEW
	3 months		\$175.50	NEW
	6 months		\$315.90	NEW
	12 months		\$596.70	NEW
	Pay as you go - per week *		\$13.50	NEW
Community Card Holder/Student/Senior	1 month		\$54.80	NEW
	3 months		\$149.50	NEW
	6 months		\$269.10	NEW
	12 months		\$508.30	NEW
	Pay as you go - per week *		\$11.50	NEW
Double - choice of two options from pool, gym and group fitness (previously Fitness membership)				
Adult	1 month		\$88.20	NEW
	3 months	\$227.80	\$240.50	5.60%
	6 months	\$428.60	\$432.90	1.00%
	12 months	\$803.40	\$817.70	1.80%
	Pay as you go - per week *	\$17.60	\$18.50	5.10%

Westland Recreation Centre Swimming Pool		2020/2021 fee including GST	Proposed 2021/2022 fee including GST	increase
Community Card Holder/Student/Senior	1 month		\$78.60	NEW
	3 months	\$205.00	\$214.50	4.60%
	6 months	\$385.80	\$386.10	0.10%
	12 months	\$723.20	\$729.30	0.80%
	Pay as you go - per week *	\$15.80	\$16.50	4.40%
Multi - pool, gym and group fitness (excludes hydrosides and aquacise classes)				
Adult	1 month		\$109.60	NEW
	3 months	\$275.40	\$299.00	8.60%
	6 months	\$535.60	\$538.20	0.50%
	12 months	\$1,004.40	\$1,016.60	1.20%
	Pay as you go - per week *	\$21.90	\$23.00	5.00%
Community Card Holder/Student/Senior	1 month		\$100.10	NEW
	3 months	\$261.80	\$273.00	4.30%
	6 months	\$492.80	\$491.40	-0.30%
	12 months	\$924.00	\$928.20	0.50%
	Pay as you go - per week *	\$20.20	\$21.00	4.00%
* three month minimum membership applies				
CONCESSION CARDS				
Pool- 10 swims (tenth swim free - pay for nine only)				
Adult	10 swims	\$51.30	\$54.00	5.30%
	20 swims	\$102.60	\$108.00	5.30%
Community Card Holder/Student/Senior	10 swims	\$42.30	\$36.00	-14.90%
	20 swims	\$84.60	\$72.00	-14.90%
Children	10 swims	\$33.30	\$36.00	8.10%
	20 swims	\$66.60	\$72.00	8.10%
Gym - 10 sessions (tenth session free - pay for nine only)				
Multi (pool, gym and group fitness)	Adult	\$234.00	\$270.00	15.40%
	CCH/Student/Senior	\$189.00	\$225.00	19.00%
Gym only	Adult	\$139.50	\$144.00	3.20%
	CCH/Student/Senior	\$112.50	\$117.00	4.00%
Group Fitness Class only	Adult	\$139.50	\$144.00	3.20%
	CCH/Student/Senior	\$112.50	\$117.00	4.00%
Swim School				
Private lessons - child (20 minutes)	per person per lesson	\$21.00	\$24.00	14.30%
Private lessons - adult (30 minutes)	per person per lesson	\$26.00	\$30.00	15.40%
Swim Fit - adult	per person per session	\$10.50	\$12.00	14.30%
Groups and squads	per ten lesson term	\$93.00	\$98.00	5.40%
Diapher Dolphins	per ten lesson term	\$74.50	\$78.00	4.70%
Holiday lessons	two week programme	\$103.00	\$110.00	6.80%
	one week programme	\$62.00	\$65.00	4.80%
VENUE HOUR				
Pool				
Lap pool - per lane	per hour	\$11.00	\$12.00	9.10%
<i>Schools - lap pool, per lane, per hour plus \$1 per child per swim or \$3 per child per swim & hydroslide</i>				
Learners/combined pool	per hour	\$52.00	\$55.00	5.80%
Whole facility (all pools and hydroslide)	per hour	\$206.00	\$217.00	5.30%
Activity Room	per hour	\$26.00	\$28.00	7.70%
	half day	\$78.00	\$84.00	7.70%
	full day	\$155.00	\$168.00	8.40%
Club Room	per hour	\$26.00	\$28.00	7.70%
	half day	\$78.00	\$84.00	7.70%

Westland Recreation Centre Swimming Pool2020/2021 fee
including GSTProposed
2021/2022
fee
including
GST

increase

Stadium	<i>full day</i>	\$155.00	\$168.00	8.40%
	<i>half court - per hour</i>	\$26.00	\$27.00	3.80%
	<i>full court - per hour</i>	\$52.00	\$54.00	3.80%

OTHER CHARGES

No Show Fee - three classes in a row (RPM only)	\$25.00	\$25.00	
Membership hold/reassignment fee	\$10.00	\$10.00	
Replacement card	\$12.50	\$15.00	20.00%
Cancellation fee (for pay as you go memberships only - inside of the three month minimum term, cancellation fee is \$50 or minimum term payments remaining, whichever is less)		\$50.00	NEW

*Group bookings and school rates available - enquire at pool*DRAFT
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Port of Greymouth

All rates include GST

FISHING/RECREATIONAL/CHARTER: ACCESS FEES (all vessels)

Vessel LOA (m)	per entry	unlimited movements 12 months paid in advance	unlimited movements 6 months paid in advance	unlimited movements 3 months paid in advance
0 - 10	41.50	1,241.70	662.30	351.70
10 - 14	60.10	1,801.00	960.40	510.50
14 - 16	94.60	2,837.90	1,513.40	804.10
16 - 18	141.90	4,256.80	2,270.30	1,206.40
18 - 20	212.00	6,358.60	3,391.30	1,801.70
20 - 24	265.00	7,947.50	4,238.70	2,251.80
24 - 28	314.60	9,438.00	5,033.60	2,674.00

FISHING: BERTHAGE (at Council berth)

per day	per m (LOA)	3.60
Annual (paid 6 monthly in advance)	per m (LOA)	237.10

FISHING: WHARFAGE and OTHER (at Council wharf)

Any species	per tonne	7.50
Martins Quay Crane Hire	per tonne	16.50
Wharf Space Occupied by Processors, Fuel Pumps	per m ²	107.30
Rental of Port Operational Land Occupied by Containers, Storage etc	per m ²	32.70

CARGO & PASSENGER

Berthage	unit	
Ships, Tugs, Barges Berthage - per day	/ gross registered tonne	0.31
Ships, Tugs, Barges Berthage - per day	minimum	388.40
Ships, Tugs, Barges Lay Up Berthage - per day	/ gross registered tonne	0.31
Ships, Tugs, Barges Lay Up Berthage - per day	minimum	311.00
Mooring (Line Services)	/ staff hour	88.20
Wharfage and other	unit	
Timber	max of m ³ or tonne	13.50
Logs	max of m ³ or tonne	7.20
Coal Wharfage	/ tonne	8.30
Coal Stockpile and Resource Management	/ tonne shipped	2.20
Gravel, Aggregate, Rock	/ tonne	6.20

Fertiliser	/ tonne	8.00
Motor Vehicles	each	131.50
Containers - Loaded (TEU = Twenty Foot Length Equivalent Unit)	/ TEU	434.40
Containers - Empty	/ TEU	351.70
Pallets Returned Empty	/ m3	9.20
All Other Cargo	max of m3 or tonne	9.20
Cargo Brought in for Shipping and Leaving Port Other than by Ship/Barge	max of m3 or tonne	50% of wharfage, stockpile & resource management charges
Cargo Wharf Crane Hire -	/ hour / crane	455.10
Cargo Wharf Crane Hire - Minimum Charge	minimum unit	113.90
LONG TERM STORAGE OF CARGO		
Richmond Quay Stockpile Area 1st 6 weeks per shipment	max of m3 or tonne / month	free
Richmond Quay Stockpile Area Next 1-3 months	max of m3 or tonne / month	0.30
Richmond Quay Stockpile Area Next 4-6 months	max of m3 or tonne / month	0.90
Richmond Quay Stockpile Area Over 6 months After Free Period	max of m3 or tonne / month	1.10
Cargo Shed : less than 100 m2	/ m2 / month	17.60
Cargo Shed : 100 m2 or more	/ m2 / month	13.50
Rental of Port Operational Land Occupied by Containers, Storage etc	/ m2 / year	34.20

RECREATIONAL / COMMERCIAL TOUR & CHARTER VESSELS BERTHS & MOORINGS

Swing Mooring Site	/ week	19.50
Pile Mooring	/ week	31.00
Annual Berthage at Wharf-Paid 6 months in Advance-Incl. Electricity & Water	/metre length overall / year	237.10
Daily Berthage at Wharf - Includes Electricity & Water	/metre length overall / day	3.60

SLIPWAY

Haulage (up / down) single cradle *	up / down	828.10
Haulage (one way only) single cradle*	one way	497.30
Haulage (up / down) tandem cradle*	up / down	1,656.20
Haulage (one way only) tandem cradle*	one way	994.30

* above charges include 5 days applicable cradle charge

Daily Cradle Charge - single cradle -	/ day	122.00
Daily Cradle Charge - tandem cradle	/ day	244.00
Site Charge for Sandblasting	/ day	238.00
Long Term Hard Stand When Vessel is Removed from Cradle	/ week	68.60

ELECTRICITY AND WATER

Electricity Connection Fee	/ connection	43.80
Electricity Supply Charge	/ kwh	1.30
Labour to Connect Electricity	/ hour	87.80
Labour to Connect Electricity	minimum	43.80
Water Connection Fee	/ connection	27.50
Water Supply Charge	/m3	1.90
Labour to Connect Water	/ hour	87.80
Labour to Connect Water	minimum	43.80

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