

DRAFT ANNUAL PLAN

1 JULY 2016 – 30 JUNE 2017

Message from the Mayor & CEO

Our Draft Annual Plan 2016/2017 (Draft Plan) is based on year two of the Long Term Plan 2015-2025. We're sticking with the strategies and direction we set out in the Long Term Plan (see *right*) and they form the basis of our Draft Plan which covers the period 1 July 2016 to 30 June 2017.

We want our community to read this Consultation Document and supporting information which highlights the Key Issues that should be brought to your attention before Council approves and adopts the final Annual Plan 2016/2017 in June. This is the time for you to have your say and let us know your thoughts and feedback.

When we developed our Long Term Plan in early 2015 for next ten years (ie 2015-2025), we took a hard look at what were the Key Issues of our District that Council needed to address, the levels of service we were providing to our community and what was practicable for Council to do over the next ten years and beyond. Those Key Issues remain relevant today.

Council has always carefully considered the community's ability to pay for the services provided to the Grey District. We've spent a lot of money upgrading Council assets and in earlier years we

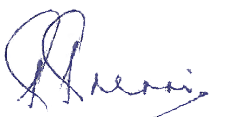
chose to defer fully funding a number of activities until the capital upgrades had been addressed. As these works are now nearing an end, addressing the funding deficits, maintaining levels of service established and collecting a fair share of revenue from those who benefit is a major component of our Long Term Plan.

We have reviewed all our budgets to ensure that they continue to include efficiency gains. This has resulted in a signalled general rate increase of 3.5% and a proposed overall rates increase of 2.9% for 2016/2017 – this a reduction from the overall rates increase of 4.2% budgeted for in the Long Term Plan. There is no proposed reduction in levels of service.

We're confident that the Draft Plan will continue to support and strengthen our District and our community and we look forward to hearing your views.



Tony Kokshoorn
Mayor



Paul Pretorius
CEO

Please read this summary and refer to the complete Draft Annual Plan 2016/2017 for full details

HAVE YOUR SAY BY THURSDAY 14 APRIL 2016

www.greycdc.govt.nz/draftannualplan

The Key Issues

- We need accurate data about the condition of our water and stormwater infrastructure so we can replace our assets at the right time, i.e. not too soon and not too late;
- Future financial sustainability of the Port; and
- Reduced funding from New Zealand Transport Agency for roading.

Impacts as identified in the Long Term Plan

Stormwater

- Increase rates funding year on year; approximately \$20,000 in this Draft Plan.

Port

- Increase rates funding year on year; approximately \$40,000 in this Draft Plan.
- User fees increase by 15% for 2016/2017.
- Industry contribution of approximately \$25,000 for this Draft Plan.

Land Transport

- Increase rates funding year on year; approximately \$32,000 in this Draft Plan.

Impacts NOT identified in the Long Term Plan

Pensioner Housing

- Increase in rentals of \$3 per week for next three years to fund connections to new wastewater (sewerage) networks.

Our financial strategy

- Council working towards a position of an annual surplus;
- Keeping debt levels within our policy limits and maintaining the capacity to borrow for unforeseen events (such as natural disaster);
- Decreasing debt from year three of the Long Term Plan (2017/2018); and
- Recognising that whilst rates need to increase, keeping annual increases under 4.5%.

SHARE OUR RICH HERITAGE

BE REAL HAVE FUN

BE CREATIVE AND COLLABORATE

LOOK AFTER EACH OTHER

MAKE A DIFFERENCE

Financial summary

The financial summary outlines the forecast financial information for 2016/2017 (column three) compared against the current budget (column one) and what was forecast in year two of the Long Term Plan (column two).

Financial statements - summary

The information presented here is only intended as a summary to give a brief overview of Council's intentions for the 2016/2017 year. It cannot be expected to give information as detailed in the full Draft Plan.

The full version gives information grouped by significant activities on what Council proposes to do for the 2016/2017 year, how it will be funded and non-financial performance measures that will be used to measure progress.

What Council does

Council is involved in a wide range of activities:

Land transport includes roading & footpaths
Stormwater
Wastewater (sewerage)
Water supply
Solid waste includes refuse & recycling collection, refuse disposal & recycling
Emergency magement includes civil defence & rural fire authority
Environmental Services includes District planning, building control, animal control, health regulation, liquor licensing, regularoty enforcement
Other transport includes Aerodrome, parking & Port
Property & housing includes Council property & retirement housing
Community facilities includes Libraries, swimming pools, heritage, indoor sports centres, cemeteries, parks & reserves, in-house task foce and public toilets
Democracy & administration includes Council, consultation, administration & econonomic development

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

	2015/2016 Annual Plan \$000	2016/2017 LTP Year 2 \$000	2016/2017 Draft Annual Plan \$000
Total rates revenue	15,162	15,795	15,597
Total other revenue	15,710	9,906	9,824
Less total expenses	(25,503)	(27,205)	(26,712)
Surplus/(deficit) after tax	5,369	(1,504)	(1,291)
Movement in asset revaluation reserve	-	22,468	22,125
Total comprehensive Revenue and Expense	5,369	20,964	20,834

SUMMARY BALANCE SHEET

	2015/2016 Annual Plan \$000	2016/2017 LTP Year 2 \$000	2016/2017 Draft Annual Plan \$000
Total assets	422,139	449,027	448,664
Total borrowings	31,857	38,367	38,182
Total other liabilities	7,476	6,890	6,842
Total equity	382,806	403,770	403,640
Total liabilities and equity	422,139	449,027	448,664

SUMMARY STATEMENT OF CASH FLOWS

	2015/2016 Annual Plan \$000	2016/2017 LTP Year 2 \$000	2016/2017 Draft Annual Plan \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenue	15,129	15,754	15,568
Receipts from other revenue	16,261	11,493	11,422
Payments to suppliers and employees	(16,404)	(17,561)	(17,107)
Interest paid	(1,930)	(2,383)	(2,388)
Goods and services tax (net)	41	34	31
Net cash from operating activities	13,097	7,337	7,526
CASH FLOWS FROM INVESTING ACTIVITIES			
Total cash inflows from investing activities	16,930	13,753	15,080
Total cash outflows from investing activities	(29,595)	(26,788)	(29,109)
Net cash from investing activities	(12,665)	(13,035)	(14,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	3,420	12,353	12,178
Repayment of borrowings	(1,362)	(5,841)	(5,851)
Net cash from financing activities	2,058	6,512	6,327
Net (decrease)/increase in cash, cash equivalents and bank overdrafts			
	2,490	814	(176)
Cash, cash equivalents and bank overdrafts at the beginning of the year	5,180	7,670	7,670
Cash, cash equivalents and bank overdrafts at the end of the year	7,670	8,484	7,494

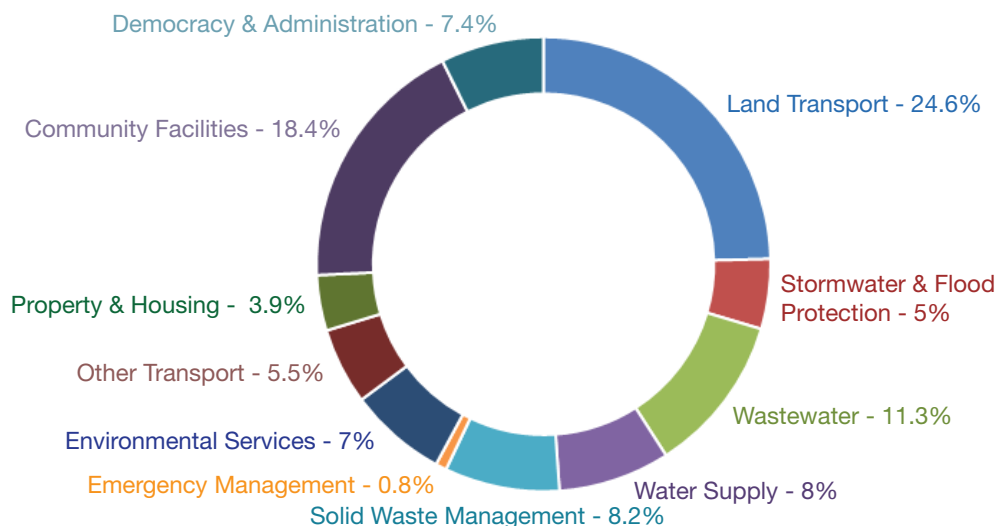
Where will money be spent next year?

Please see the graph opposite showing where Council will be spending its money in 2016/2017.

Expenses includes all the operating, maintenance, interest payments and depreciation charges against each activity.

Administration costs are allocated against each activity based on the level of resources that each activity requires.

CHART 1: EXPENSES BY ACTIVITY



Rating information

Council sets its rates to recover the amount of money required to provide the services as outlined in the Annual Plan.

New valuations

This year the new 2015 valuations will be used for the first time. Residential property land values in the Grey District have decreased on average 17.5% and residential capital values have dropped on average by 5.8% (note: these are averages figures and some properties will have changes higher or lower than these averages).

Your rateable land value is used to determine how much of the General Rate you pay in comparison to other properties in the District.

General Rates are currently used to fund activities such as roading, refuse disposal sites, stormwater, parks, community services, district planning, rural fire, flood protection and much more.

Which area of the District you live in and what the property is used for also determines how much you contribute towards these services (ie residential, rural, commercial use etc).

Proposed rates increases

The Draft Plan signals rates increases as follows:

- **General rates increase of 3.5%** (this includes the Uniform Annual General Charge and general rates based on the land value of your property).
- **Overall average rates increase of 2.9%** (includes general and targeted rates) - note this is a reduction from the overall rates increase of 4.2% budgeted for in the Long Term Plan.
- There have been increases to **targeted rates** to allow for ongoing operating costs.

Summary of rates to be levied

GENERAL RATES - PAYABLE BY ALL

	2015/2016 Current rates	2016/2017 Draft Annual Plan
UNIFORM ANNUAL GENERAL CHARGE (UAGC)		
Rate	459.50	475.30

Council is signalling a 3.5% average increase to general rates (this includes rates based on the land value of your property)

TARGETED RATES - PAYABLE BY THOSE PROPERTIES WHO HAVE ACCESS TO SERVICES

	2015/2016 Current rates	2016/2017 Draft Annual Plan
WASTEWATER (SEWERAGE)		
Blackball	581.60	593.80
Dobson/Taylorville/Kaiata - capital rate	724.90	740.10
Dobson/Taylorville/Kaiata - operating and maintenance rate	241.40	246.50
Greymouth	626.40	639.60
Karoro	317.20	323.90
Moana	260.30	265.80
Runanga	252.50	257.80
South Beach/Paroa	282.20	288.10
Te-Kinga	693.90	708.50
South Beach Loan	432.40	432.40

WATER

Blackball	474.00	480.80
Dobson/Taylorville	465.30	472.00
Greymouth	423.50	429.60
Runanga	338.00	342.90
Stillwater	465.30	472.00
South Beach Water Loan	151.30	151.30

REFUSE COLLECTION

Residential	189.90	192.20
Residential (within kerbside recycling area)	262.70	265.90
Commercial - Twice Weekly Collection (where available)	525.40	531.80

ECONOMIC DEVELOPMENT

Bed and Breakfast/Homestay/Farmstay		
Rate	180.10	181.50

THE FOLLOWING TARGETED RATES ARE PAYABLE BY COMMERCIAL PROPERTIES ONLY

	2015/2016 Current rates	2016/2017 Draft Annual Plan
ECONOMIC DEVELOPMENT		
Rate	0.001092	0.00117

METERED WATER

The actual rates charges for each property will depend on the land value and which targeted rates apply. Please refer to the table above for a summary of rates to be levied. Examples of rates assessments for different suburbs can be found on our website and in the full Draft Plan.

Where does our money come from?

Council receives revenue from a number of different sources but, as the pie chart shows, Council relies on rates for the majority of revenue. Fees are set to fund all or part of activities where the person receiving the service receives all or part of the benefit (refer to our fees and charges).

Please refer to the full Draft Plan for further details on subsidies and grants.

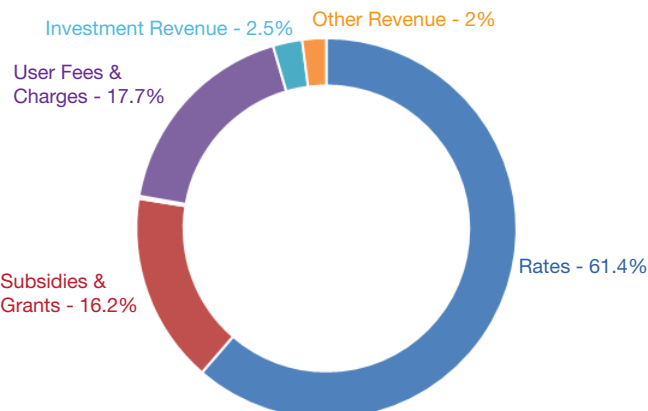


CHART 2: SOURCES OF REVENUE

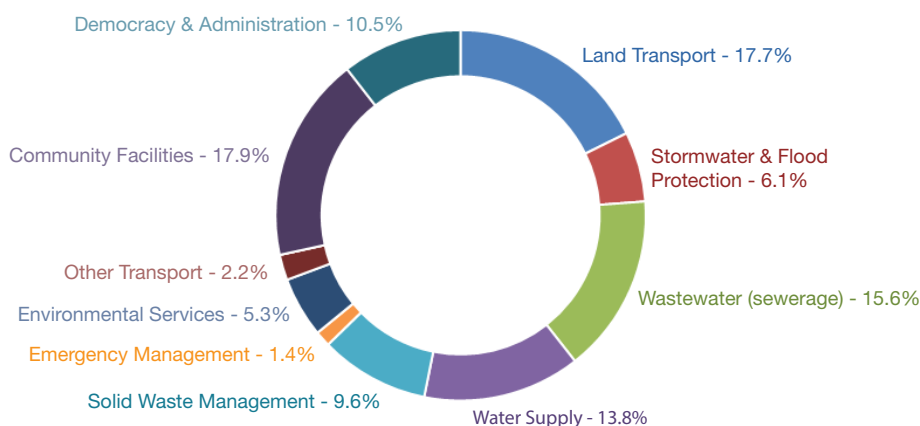


CHART 3: RATE INPUT INTO EACH ACTIVITY

Fees and charges

Council reviews fees and charges each year to set what it believes to be fair fees and charges based on the benefit received by those receiving the service.

As outlined in the 2015-2025 Long Term Plan, major changes to fees and charges proposed in the Draft Plan include:

- Port fees will increase by 15%.
- Pensioner housing rents will increase by \$3 per week.
- The Long Term Plan assumed cost increases of 3% to cover increases faced by Council. We've managed to save monies in certain areas which means the increases to fees and charges has been trimmed to approximately 1-2% for 2016/2017.

Please refer to the full Draft Plan for a complete list of proposed fees and charges.

	2015/2016 Current Fees	2016/2017 Draft Annual Plan
SOLID WASTE - McLEANS LANDFILL & RECYCLING CENTRE		
Commercial Refuse* <i>per tonne</i>	\$280.00	\$283.00
Mixed Domestic Waste* <i>per tonne</i>	\$280.00	\$283.00
Hardfill/Soil* <i>per tonne</i>	\$280.00	\$283.00
Refuse Bag with Council issued tie <i>per bag</i>	Free	Free
Refuse Bag without Council issued tie* <i>per bag</i>	\$4.00	\$4.00
* Minimum charge per weighbridge entrance (trip over weighbridge)	\$12.00	\$12.00
Green Waste	FREE	FREE
Accepted Recyclables	FREE	FREE
RETIREMENT HOUSING		
Rental units to increase in 2016/2017 by \$3.00 per week		
ANIMAL CONTROL		
Desexed	\$65.50	\$66.50
Working	\$37.50	\$38.00
Late Registration	\$132.80	\$135.00

PORT FEES

FISHING/RECREATIONAL/CHARTER: ACCESS FEES (all vessels)

Vessel LOA (m)	2015/2016 Current Fees	2016/2017 Draft Annual Plan
	per entry	per entry
0 - 10	30.70	35.30
10 - 14	44.60	51.30
14 - 16	70.20	80.70
16 - 18	105.20	121.00
18 - 20	157.20	180.80
20 - 24	196.50	226.00
24 - 28	233.30	268.30

FISHING: BERTHAGE (at Council berth) per m (LOA)

	2015/2016 Current Fees	2016/2017 Draft Annual Plan
per day	2.60	3.00
Annual (paid 6 monthly in advance)	168.40	193.70

The annual planning process - from draft to adoption



Submissions

We want to hear what you have to say - we'd like to know if you agree with our Draft Plan for 2016/2017 or if you have another point of view. Council will consider all submissions received before the final Plan and budgets are set for the new financial year starting 1 July 2016. Submissions must be made in writing. Please clearly identify who is making the submission.

Submitters also have the option of addressing Council at a public meeting when submissions are considered - if you wish to do this please clearly indicate so on your submission. The public meeting will be held on Wednesday 8 June 2016.

Submissions can be made on-line at our website, www.greydc.govt.nz/draftannualplan, mailed to Grey District Council - Draft Annual Plan, PO Box 382, Greymouth 7840 or emailed to submissions@greydc.govt.nz. All submissions will be copied and made available to the public.

SUBMISSIONS CLOSE AT 5PM ON THURSDAY 14 APRIL 2016