

Summary 2011/2012 Draft Annual Plan

(summary of proposal)

Welcome to the Summary Draft Annual Plan for the 2011 - 2012 financial year which sets out Council's activities, projects and how they will be funded. It has been prepared based on what Council signalled in its long term plan; the 2009 – 2019 Long Term Community Outcomes Plan.

The process of preparing this draft plan has been undertaken in what has proven to be a challenging year for the district and nation as a whole. The Pike River tragedy in November 2010 was one of the coast's darkest hours. We took great encouragement that, in our darkest hour the best came out in our community and the community in turn received tremendous support nationally and internationally. The Draft Annual Plan is, to a large extent a "back to basics" issue as the impact of Pike River and the Canterbury earthquakes is yet to become fully apparent.

The plan signals an overall rate increase of 4.01% for the 2011-2012 financial year (as compared to 6.34% if we rated the income level signalled in our Long Term Plan). The district has not seen the higher levels of growth that have been apparent in more recent years. This growth in previous years has partly offset some cost increases, by having more ratepayers to share costs. Council has 'cut its cloth to suit' where appropriate.

The long term plan was developed in an uncertain economic climate, and it is fair to say there is we are still faced with some uncertainty as we wait to see what happens with the Pike River mine and what impacts the Canterbury earthquakes have on our region. This plan, as in recent plans, attempts to strike an important balance between minimising rate increases and continuing to provide for a district in which we all want to live. Maintenance of existing services continues to be a priority, which means Council must carefully consider any new services against community affordability. The costs of providing existing day to day services have increased markedly in recent times. We are all familiar with the increases in power prices, fuel costs, building costs etc... over the last few years. Just as the household has to cope with these increases, so does Council in paying its day to day bills.

The draft plan includes the necessary funding for stage one of upgrading stormwater services in Greymouth to partly alleviate the amount of stormwater that enters the CBD in severe weather events. Stage one is part of a longer term plan to increase this level of service.

Waste management also continues to be one of the challenges and Council has to balance what is currently affordable versus what are the best long term options for the district, notably in respect of waste recycling. Council has set up resource recovery facilities at the McLeans landfill site however no additional recycling/resource recovery services are proposed in the draft plan. Council is continuing to investigate the best options going forward.

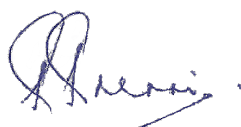
A new water source and treatment plant is signalled for Stillwater, contingent on securing the necessary financial assistance from central government to make the project affordable for the residents. The on-going upgrade of the Greymouth/Blaketown/Cobden sewerage scheme is included in the Plan, scheduled to be completed circa. 2014.

The most important purpose of the draft plan is for you to have your say. Please consider the issues highlighted in this summary version/or the full draft annual plan. The full draft plan is available from our website (www.greydc.govt.nz) or a printed copy can be picked up from Council offices. Submissions close 30 May 2011, after which Council will consider making changes to the draft plan based on submissions received.

Regards



Tony Kokshoorn
MAYOR



Paul Pretorius
CHIEF EXECUTIVE OFFICER

The annual planning process - from draft to adoption



Financial Summary

The following outlines the forecast financial information for 2010/2011, compared against: the current budget (2009/2010 column); and what was originally forecast in the applicable year of the Long Term Community Plan (forecast Long Term Plan).

Summary forecast statement of comprehensive income

Adopted Budget 2010/2011		Proposed Budget 2011/2012	2011/2012 budget as forecast in Long Term Plan
\$000		\$000	\$000
12,204	Rates revenue	12,693	12,978
12,439	Other revenue	14,746	18,568
(22,608)	operating expenditure	(22,886)	(24,941)
2,035	Net Surplus/(deficit)	4,553	6,605
25,029	OTHER COMPREHENSIVE INCOME Increase in asset revaluation reserve	-	-
27,064	Total comprehensive income	4,553	6,605

Forecast statement of changes in equity

Adopted Budget 2010/2011		Proposed Budget 2011/2012	2011/2012 budget as forecast in Long Term Plan
\$000		\$000	\$000
303,469	Equity at the beginning of the year	328,732	333,627
27,064	Total recognised income/(expense) for the year	4,553	6,605
330,533	Balance at 30 June	333,285	340,232

Summary forecast balance sheet

Adopted Budget 2010/2011		Proposed Budget 2011/2012	2011/2012 budget as forecast in Long Term Plan
\$000		\$000	\$000
11,306	Current assets	12,373	8,647
338,943	Non-current assets	338,948	353,551
(5,921)	Current liabilities	(5,481)	(6,671)
(13,795)	Non-current liabilities	(12,555)	(15,295)
330,533	Net Assets	333,285	340,232
330,533	Equity	333,285	340,232

Summary forecast statement of cash flows

Adopted Budget 2010/2011		Proposed Budget 2011/2012	2011/2012 budget as forecast in Long Term Plan
\$000		\$000	\$000
8,754	Net cash from/(to) operating activities	12,181	13,680
(11,080)	Net cash from/(to) investing activities	(13,112)	(17,049)
3,114	Net cash from/(to) financing activities	896	2,703
788	Net change in cash held	(35)	(666)

Financial statements - summary

The information presented here is only intended as a summary, to give the reader a brief overview of Council's intentions for the 2011/2012 year.

It cannot be expected to give information as detailed in the full 2011/2012 Draft Annual Plan.

The full version gives information grouped by significant activities on what Council proposes to do for the 2011/2012 year, how it will be funded, and non-financial performance measures that will also be used to measure progress.

The full version of the plan is available from Council's main office at 105 Tainui St, Greymouth, tel 03 769 8600, or electronically from the website at www.greymouth.govt.nz.

Capital expenditure

In addition to the operating expenditure outlined here, Council is proposing \$14.5 million dollars of capital expenditure. The majority is being spent on the following activities/projects:

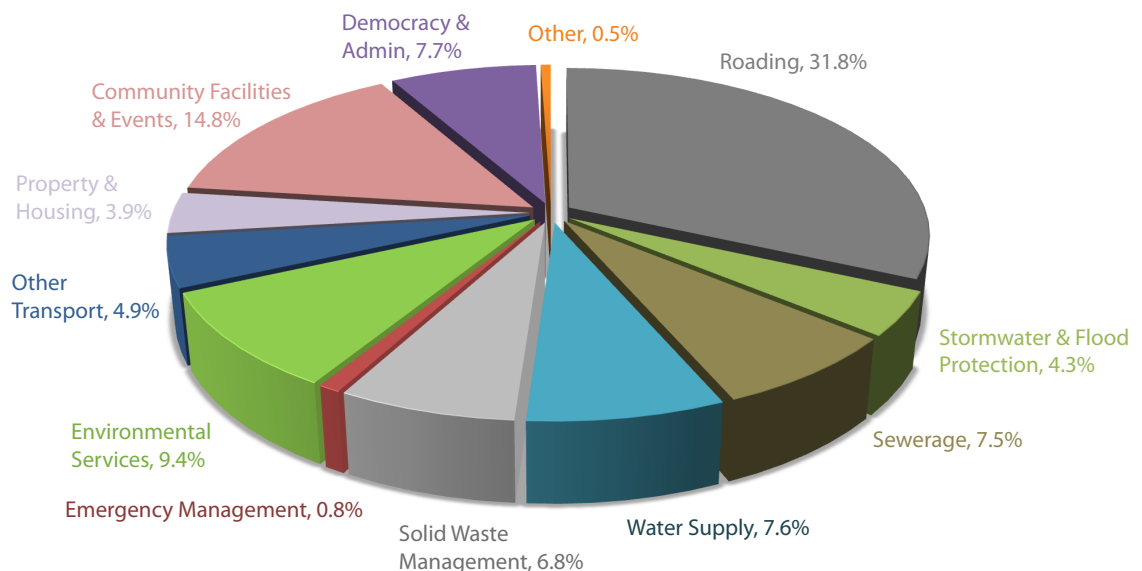
Roading	4,019,000
Sewerage (Greymouth Scheme)	4,154,000
Water Supply (including upgrade for Stillwater scheme)	1,336,000
West Coast Miners' Memorial Centre (design and commencement of build - total estimated \$5.0m - \$5.5m) <i>Note that the specific design for this project will be consulted on as a separate process in the near future</i>	2,500,000

Where money will be spent in 2011/2012 - Operating expenditure

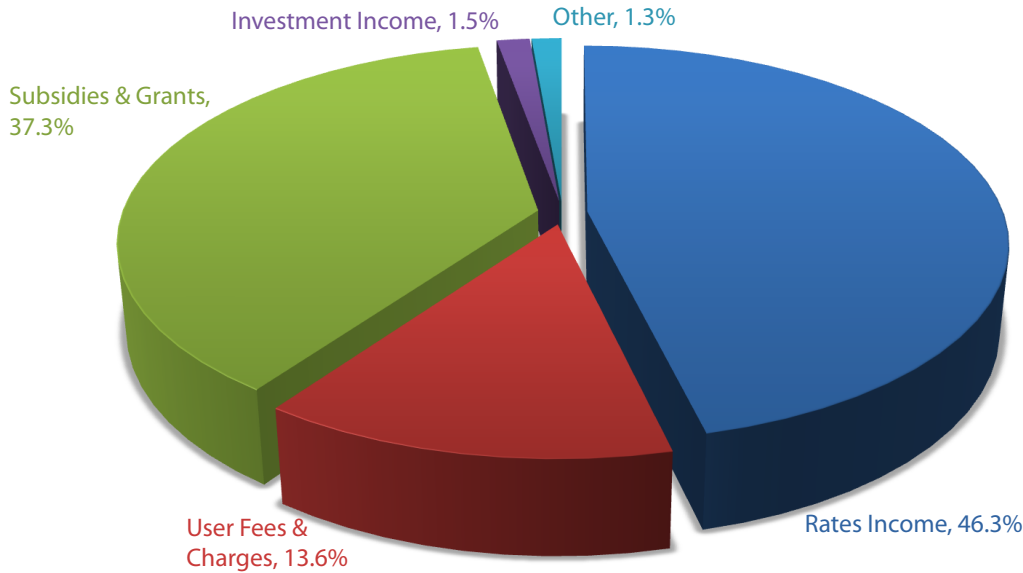
operating expenditure

Operating expenditure 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.



Council's sources of income for 2011/2012



Council receives income from a number of different sources, but as illustrated relies on rates for the majority of income.

Fees are set to fund all or part of activities where the person receiving the service receives all or part of the benefit (refer fees and charges over page).

The majority of subsidies received are from:

- New Zealand Transport Agency (\$4.0 million) to fund roading maintenance and capital works.
- 1st part of Government grant for design and commencing build of West Coast Miners' memorial centre (\$2.5m of \$3.5m pledged). *Note that the specific design for this project will be consulted on as a separate process in the near future*
- Government sewerage subsidies (\$2.7m)

Rating information

What will happen with rates in 2011/2012?

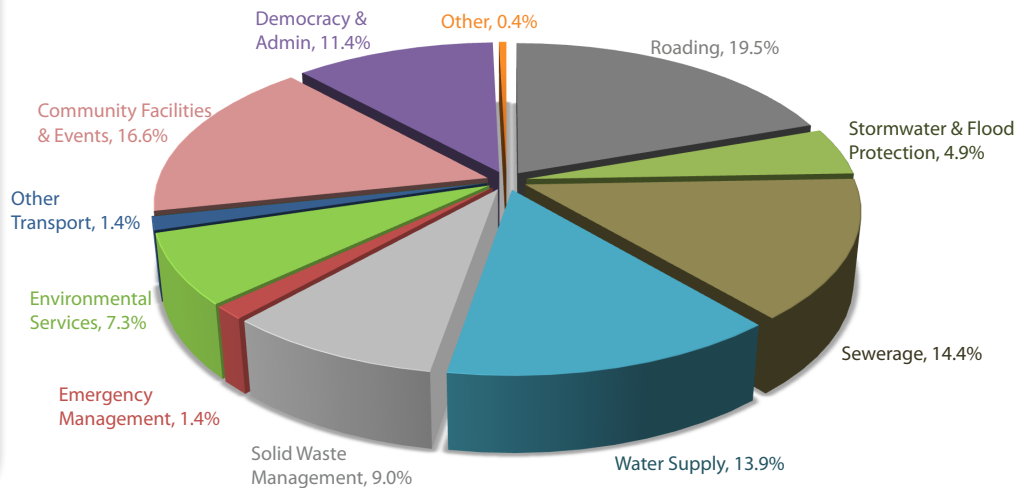
Council sets its rates to recover the amount of money required as outlined in the Annual Plan.

The draft plan signals an average rate increase for each property less than 4%. This takes into account the new properties in the district contributing to rates (growth).

The actual increase for an individual property will depend on the land value and which of the below targeted rates apply.

To see the actual proposed increase you can search for your property on-line at: www.greydc.govt.nz

Rate input into each activity for 2011/2012



rating valuations

Rating valuations are currently revised by Council on a three yearly basis. This last occurred as at 01 September 2009, and these values will be used for setting rates for the 2011 - 2012 year.

Your land value determines what amount of general rates you pay compared to other properties in the district.

Summary of rates to be levied:

General Rates - payable by all properties

Rate 2010/2011	Uniform Annual General Charge	Proposed Rate 2011/2012	proposed increase
340.00	Rate	378.40	38.40 11.3%

Rate 2010/2011	General Rates - Set on land value	Proposed Rate 2011/2012	proposed increase
0.0091490	Residential Zone 1	0.0093100	0.0001610 1.76%
0.0055100	Residential Zone 2	0.0056000	0.0000900 1.63%
0.0047130	Residential Zone 3	0.0048000	0.0000870 1.85%
0.0033430	Rural Residential	0.0033900	0.0000470 1.41%
0.0029130	Rural Use	0.0029600	0.0000470 1.61%
0.0144540	Commercial Zone 1	0.0145800	0.0001260 0.87%
0.0064890	Commercial Zone 2	0.0065200	0.0000310 0.48%
0.0098240	Commercial Zone 3	0.0099100	0.0000860 0.88%
0.0013590	Farming Forestry	0.0013700	0.0000110 0.81%

Targeted Rates - payable by those properties who have access to services

Rate 2010/2011	Sewerage Rates	Proposed Rate 2011/2012	proposed increase
497.50	Blackball	505.00	7.50 1.5%
520.70	Greymouth	534.40	13.70 2.6%
233.70	Karoro	245.40	11.70 5.0%
172.00	Runanga	180.60	8.60 5.0%
199.50	South Beach/Paroa	209.50	10.00 5.0%
198.80	Moana	206.50	7.70 3.9%
554.70	Te-Kinga	579.60	24.90 4.5%
432.40	South Beach Loan	432.40	-

Rate 2010/2011	Water Rates	Proposed Rate 2011/2012	proposed increase
427.20	Blackball	433.60	6.40 1.5%
329.00	Dobson/Taylorville	333.90	4.90 1.5%
359.10	Greymouth	364.50	5.40 1.5%
241.60	Runanga	245.20	3.60 1.5%
366.30	Stillwater	423.40	57.10 15.6%
151.30	South Beach Water Loan	151.30	-

Rate 2010/2011	Refuse Collection Rates	Proposed Rate 2011/2012	proposed increase
152.90	Residential Collection	155.20	2.30 1.5%
305.80	Commercial - Twice Weekly (w here available)	310.40	4.60 1.5%

the following targeted rates are payable by commercial properties only

Rate 2010/2011	District Promotion Rates	Proposed Rate 2011/2012	proposed increase
0.000849	Rate (per \$ of capital value)	0.000862	0.000013 1.5%

Rate 2010/2011	DISTRICT PROMOTION Bed and Breakfast/Homestay/Farmstay	Proposed Rate 2011/2012	proposed increase
153.40	Rate (per B&B/Homestay/Farmstay)	155.70	2.30 1.5%

Rate 2010/2011	Water Meter Rates (excess users)	Proposed Rate 2011/2012	proposed increase
1.07	Rate per m3	1.10	0.03 2.8%

Review of fees & charges

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

Refuse		2011/2012 proposed fee including GST	2010/2011 fee including GST	proposed increase
McLeans Landfill <i>see facilities/Council for a full list of charges</i>				
Commercial Refuse	per tonne	\$140.00	\$90.00	55.56%
Mixed Domestic Waste	per tonne	\$140.00	\$90.00	55.56%
Hardfill/Soil	per tonne	\$140.00	\$90.00	55.56%
Refuse Bag with Council issued tie	per bag	Free	Free	
Refuse Bag without Council issued tie	per bag	\$2.50	\$2.20	13.64%
Tyres				
Car, Motorbike	per tyre	\$4.50	\$4.00	12.50%
4WD	per tyre	\$4.50	\$4.00	12.50%
Truck	per tyre	\$8.50	\$7.50	13.33%
Tractor	per tyre	\$9.00	\$7.50	20.00%
Specialist Industrial	per tyre	\$20.00	\$7.50	166.67%
Unprepared Car Bodies	per car	\$40.00	\$37.00	8.11%
Paint/Solvents	per item (ie bucket/tin)	\$1.00		new
McLeans Recycling Centre				
Recyclables				
Plastics		Free	n/a	new
Paper		Free	n/a	new
Cardboard		Free	n/a	new
Aluminium Cans		Free	n/a	new
Tin Cans		Free	n/a	new
Glass		Free	n/a	new
Light Scrap Metal		Free	n/a	new
Heavy Scrap Metal		Free	n/a	new
Whiteware		Free	n/a	new
LPG Bottles		Free	n/a	new
Prepared Car Bodies		Free	n/a	new
Green Waste - Trees/Branches/Foliage		Free	n/a	new
Garden Waste - Weeds/Grass clippings		Free	n/a	new
Resource Centres (Moana/Blackball/Nelson Creek)				
Refuse Bag with Council issued tie	per bag	Free	no charge	
Refuse Bag without Council issued tie	per bag	\$2.50	no charge	new
Car Boot	per load	\$18.00	no charge	new
Station wagon	per load	\$27.00	no charge	new
Utility Vehicle/Van	per load	\$27.00	no charge	new
Single axle trailer	per load	\$36.00	no charge	new
Tandem Trailer	per load	\$68.00	no charge	new
Truck under 5m ³ , uncompacted general waste	per load	\$136.00	new	new
Truck under 5m ³ , compacted general waste or dense material such as building waste.	per load	\$218.00	new	new

Most fees have had an inflation adjustment (i.e. 4 - 5%) to cover the cost increases faced by Council. The main exceptions to this are:

- New graduating charging for the airport based on weight of the aircraft
- Increased fees for dumping refuse:

Please refer to the full draft annual plan, or contact Council for a complete list of proposed fees and charges.

dog registration fees

A 20% discount is available for 'goldcard' holders (super-annuitants) who register their pet or de-sexed dog on or before the due date.

Recycling:

A drop of facility at McLeans landfill will be open in the new year. Council has looked at other options (a town drop off centre, kerbside recycling etc...), but has not included any in this draft plan

Refuse Collection:

Council is proposing to reduce the number of refuse bag ties distributed to ratepayers to 52 (1 per week). This is on the basis that more recycling opportunities will be available (e.g. at McLeans landfill).

Submissions - close 30 May 2011

Council wants to receive your feedback on the **2011/2012 Draft Annual Plan**, so it can consider your opinion before the plan and budgets are finally set for the new financial year starting 01 July 2011. Submissions can be received in any written format, please clearly identify who is making the submission. Submitters also have the option of addressing Council at a meeting when submissions are considered (to be held in June), if you wish to do this please clearly indicate so on your submission.

Submissions can be mailed to:

Grey DC - Draft Annual Plan, PO Box 382, GREYMOUTH 7840; or emailed to submission@greydc.govt.nz

