

# Review of fees and charges



# DRAFT Annual Plan 2013/2014 SUMMARY

Welcome to this Summary of Grey District Council's Draft Annual Plan for the year 1 July 2013 to 30 June 2014.

This Draft Annual Plan is based on Year Two of our 2012-2022 Long term Plan and outlines our proposed budgets and rates for the coming year's activities. It is our intention to continue to deliver accessible and affordable services and facilities that fulfil the needs of our whole community.

We are well aware that this continues to be a tough time for many in our District, with the effects of the economic recession still being widely felt, job losses and the recent drought. Our rates are below the New Zealand average and whilst we recognise that this is little comfort to those still struggling with the recession's effects, we have prepared this plan bearing in mind the economic pressures in our community.

Council also recognises the importance of economic development and growth for our district and has, together with key stakeholders, put a lot of hard work into developing an economic development strategy. Currently at the draft stage, this important document proposes strategic themes and action plans to help guide and nurture our district through the next ten years.

In December 2012 the Government refined the purpose of local government. Our purpose is to "meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is most cost-effective to households and businesses". We have initially reviewed what we do and are confident that it all fits within this purpose. We will continue to review what we do to ensure we are delivering our services to households and businesses in the most cost effective way. This is also a key issue that Council will consider before providing any new services/funding.

In developing this Draft Annual Plan, Council, like everyone, has tightened its belts. We have reviewed all of our budgets to ensure that they continue to include efficiency gains. This has resulted in a signalled general rate increase of 1.9% and a proposed overall rates increase of 3.8% for 2013/2014 – this is a reduction from the overall rates increase of 5.36% budgeted for in the Long Term Plan. Council has not compromised on the level of services delivered, despite the reductions.

In line with our Long Term Plan, our key areas of focus for 2013/2014 will be significant investment in infrastructure and services that ensure the Grey District is an attractive place to live, work, play and invest. The thirty five million dollar Greymouth sewerage scheme will be completed in 2013 and works have begun on the new sewerage scheme for Taylorville, Dobson and Kaiata. Other key projects signalled in the Long Term Plan and beginning in 2013/2014 include the Greymouth water supply upgrade to provide better protection at the source and connecting the Dobson/Taylorville Water Supply to the Greymouth scheme. Council will be increasing its debt levels to fund these infrastructure projects but have been successful in securing low interest rates, thus generating substantial interest efficiencies per annum.

The projects, services and rates set out in this plan will affect the whole community and that is why it is important that you have your say. We have worked hard to make sure our Draft Annual Plan reflects the economic challenges felt by many of our households. This is your opportunity to talk to us about the upcoming year and let us know if we are on the right track.

You can read the full Draft Annual Plan on our website, [www.greycdc.govt.nz](http://www.greycdc.govt.nz), or pick up a printed copy from Council offices. Submissions close on 27 May 2013, after which Council will consider making changes to the draft plan based on submissions received.

  
**Tony Kokshoorn**  
 Mayor

  
**Paul Pretorius**  
 Chief Executive Officer

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. The 2012-2022 Long Term Plan assumed cost increases of 3% to cover increases faced by Council. Cost efficiencies gained have meant increases to fees and charges has been trimmed to 1-2% for 2013/2014.

The main changes to our fees and charges are:

- Introduction of fees at Resource Centres.
- Changes to trade waste charges.

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



Regent Theatre



Construction of the Greymouth sewerage treatment plant, Preston Road

Solid Waste (Refuse & Recycling)		2013/2014 fee including GST	2012/2013 fee including GST	Increase
<b>McLeans Landfill</b>				
see facilities/Council for a full list of charges				
Commercial Refuse*	per tonne	\$228.50	\$225.00	1.60%
Mixed Domestic Waste*	per tonne	\$229.00	\$225.00	1.80%
Hardfill/Soil*	per tonne	\$229.00	\$225.00	1.80%
Refuse Bag w ith Council issued tie	per bag	Free	Free	
Refuse Bag w ithout Council issued tie*	per bag	\$4.00	\$4.00	
* minimum charge per w eighbridge entrance (trip over w eighbridge)		\$12.00	\$12.00	
<b>Tyres</b>				
Car, Motorbike	per tyre	\$6.10	\$6.00	1.70%
4WD	per tyre	\$6.10	\$6.00	1.70%
Truck	per tyre	\$11.20	\$11.00	1.80%
Tractor	per tyre	\$11.70	\$11.50	1.70%
Specialist Industrial	per tyre	\$26.40	\$26.00	1.50%
Unprepared Car Bodies	per car	\$50.80	\$50.00	1.60%
Paint/Solvents	per litre	\$2.10	\$2.00	5.00%
<b>Resource Centres (Moana/Blackball/Nelson Creek)</b>				
Refuse Bag w ith Council issued tie	per bag	Free	Free	
Refuse Bag w ithout Council issued tie	per bag	\$2.50	\$2.50	
Car Boot	per load	\$25.00	\$25.00	
Station wagon	per load	\$38.00	\$38.00	
Utility Vehicle/Van	per load	\$38.00	\$38.00	
Single axle trailer	per load	\$50.00	\$50.00	
Tandem Trailer	per load	\$82.00	\$82.00	
Truck under 5m <sup>2</sup> , uncompacted general waste	per load	\$180.00	\$180.00	
Truck under 5m <sup>2</sup> , compacted general waste or dense material such as building waste.	per load	\$285.00	\$285.00	
<b>Other</b>				
Refuse ties	each	\$3.00	\$3.00	
Refuse bags (plain)	per pack of 20	\$9.40	\$9.40	
<b>ANIMAL CONTROL</b>		2013/2014 fee including GST	2012/2013 fee including GST	Increase
<b>Dog Registration</b>				
Pet		\$85.50	\$84.00	1.80%
Desexed		\$63.50	\$62.50	1.60%
Working		\$36.50	\$36.00	1.40%
Late Regn		\$128.30	\$126.00	1.80%
<b>Dog &amp; Stock Impounding</b>				
1st Offence		\$68.50	\$67.00	2.20%
2nd Offence		\$136.50	\$133.50	2.20%
3rd Offence		\$203.50	\$199.50	2.00%
Sustenance (per day)		\$12.00	\$12.00	
<b>After Office Hours</b>				
Applicable Fee above Plus		staff hourly rate + mileage	staff hourly rate + mileage	
<b>Sewerage</b>		2013/2014 fee including GST	2012/2013 fee including GST	Increase
<b>Trade Waste Charges</b>				
All Greymouth wastewater treatment plants	per cubic metre	\$0.60	various	-10% - 100%
Blackball Treatment plant	per cubic metre	\$0.60	\$0.67	-10.40%
Karoro Treatment plant	per cubic metre	\$0.60	\$0.64	-6.30%
Runanga treatment plant	per cubic metre	\$0.60	\$0.32	87.50%

## Submissions - close 27 May 2013

We want to hear what you have to say - we'd like to know if you agree with our draft plan for 2013/2014 or if you have another point of view. Do you have a view on the highlighted issues? Council will consider all submissions received before the plan and budgets are finally set for the new financial year starting 01 July 2013. Submissions must be made in writing. 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. All submissions will be copied and made available to the public.

Submissions can be made on-line at our website, [www.greycdc.govt.nz/consultation](http://www.greycdc.govt.nz/consultation), mailed to Grey DC - Draft Annual Plan, PO Box 382, GREYMOUTH 7840 or emailed to [submissions@greycdc.govt.nz](mailto:submissions@greycdc.govt.nz). Submissions must be received by **5 pm on Monday 27 May 2013**.

## The annual planning process - from draft to adoption



## We want your feedback

### Some of the questions Council are asking

Like any other business, the Regent Theatre has been struggling financially in the current economic climate. At present Council funds the Theatre \$25,000 per annum. Council is guarantor to a loan the Theatre took out to upgrade the cinemas. It is likely this guarantee is going to be called in unless Council provides more financial assistance to the Theatre. Council is proposing to fund the Theatre an additional \$50,000 per annum (making \$75,000 in total).

**What do you think?** Should Council increase their financial contribution or not? If funding is not forthcoming, the Theatre may have to close. The Theatre are currently upgrading their building to 67% NBS (New Building Standard).

Council also wants to hear any ideas you may have to make the Theatre more usable by the community.

With proposed changes to Council's Earthquake-Prone, Dangerous and Insanitary Buildings Policy, mainly to extend the timelines to complete earthquake strengthening works, Council has budgeted to tie down the dangerous elements (i.e. the parapets) of the History House, Left Bank Art Gallery and Harbour Board buildings whilst Council makes a final decision on the future of these buildings and the museum service. Council has budgeted for the status quo for History House for the 2013/2014 year and wants to hear your views on the museum service into the future.

**What do you think?** Council wants to know what you want in terms of a museum service in the Grey District. Do you want:

1. The status quo, i.e. History House as a mixture of an archive and a visitor attraction; or
2. An archive facility to preserve the district's history collection; or
3. A visitor attraction with a focus on three significant historical themes, i.e. Port, Coal Mining and Gold Mining; or
4. Some other option (please specify).

Council wants to know what you think about these, and any other, issues outlined in our Draft Annual Plan. Please have your say by **27 May 2013**.



# Financial summary

## Prospective statement of comprehensive income - summary

	2014 Annual Plan \$000	2014 LTP \$000	2013 Annual Plan \$000
<b>INCOME</b>			
Rates revenue	13,983	14,200	13,477
Other revenue and other gains/(losses)	22,719	22,568	14,148
<b>Total income</b>	<b>36,702</b>	<b>36,768</b>	<b>27,625</b>
<b>EXPENDITURE</b>			
Employee expenses	4,497	4,620	4,471
Depreciation and amortisation	8,476	8,520	8,035
Other expenses	11,069	11,313	10,476
Finance costs	2,004	2,328	1,251
<b>Total operating expenditure</b>	<b>26,046</b>	<b>26,781</b>	<b>24,233</b>
<b>Net surplus/(deficit) before tax</b>	<b>10,656</b>	<b>9,987</b>	<b>3,392</b>
Income tax expense	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>			
Increase in asset revaluation reserve	23,760	23,760	-
<b>Total comprehensive income</b>	<b>34,416</b>	<b>33,747</b>	<b>3,392</b>

## Prospective balance sheet - summary

	2014 Annual Plan \$000	2014 LTP \$000	2013 Annual Plan \$000
<b>ASSETS</b>			
Current assets	15,381	15,820	15,063
Non current assets	371,870	371,715	336,326
<b>TOTAL ASSETS</b>	<b>387,251</b>	<b>387,535</b>	<b>351,389</b>
<b>LIABILITIES</b>			
Current liabilities	11,366	8,072	21,725
Non current liabilities	27,143	31,390	15,338
<b>TOTAL LIABILITIES</b>	<b>38,509</b>	<b>39,462</b>	<b>37,063</b>
<b>EQUITY</b>			
<b>Total equity attributable to the Council</b>	<b>348,742</b>	<b>348,073</b>	<b>314,326</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>387,251</b>	<b>387,535</b>	<b>351,389</b>

## Prospective statement of cashflows - summary

	2014 Annual Plan \$000	2014 LTP \$000	2013 Annual Plan \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total cash inflows from operating activities	36,549	34,947	27,486
Total cash outflows from operating activities	( 17,120)	( 18,616)	( 15,579)
<b>Net cash from operating activities</b>	<b>19,429</b>	<b>16,331</b>	<b>11,907</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Total cash inflows from investing activities	12,938	18,224	17,287
Total cash outflows from investing activities	( 33,357)	( 37,805)	( 48,084)
<b>Net cash from investing activities</b>	<b>( 20,419)</b>	<b>( 19,581)</b>	<b>( 30,797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	3,959	17,469	17,667
Repayment of borrowings	( 3,000)	( 17,329)	( 357)
<b>Net cash from financing activities</b>	<b>959</b>	<b>140</b>	<b>17,310</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	( 31)	( 3,110)	( 1,580)
Cash, cash equivalents & bank overdrafts at the start of the year	5,627	5,627	7,207
<b>Cash, cash equivalents &amp; bank overdrafts at the end of the year</b>	<b>5,596</b>	<b>2,517</b>	<b>5,627</b>

The financial summary outlines the forecast financial information for 2013/2014 compared against the current budget (2013 Annual Plan column) and what was originally forecast in the applicable year of the Long Term Plan (2014 LTP column).

## Financial statements - summary

The information presented here is only intended as a summary to give a brief overview of Council's intentions for the 2013/2014 year. It cannot be expected to give information as detailed in the full 2013/2014 Draft Annual Plan.

The full version gives information grouped by significant activities on what Council proposes to do for the 2013/2014 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 on our website, [www.greyc.govt.nz](http://www.greyc.govt.nz), or from Council's main office at 105 Tainui St, Greymouth, ph (03) 769 8600.

## Capital expenditure

In addition to operating expenditure outlined in the plan, Council is proposing \$20 million of capital expenditure. The majority is being spent on the following activities/projects:

Roading (renewal and upgrades)	4,300,000
Sewerage (Greymouth Scheme)	6,000,000
Water Supply	1,900,000
Miners' Recreation Centre (design and commencement of build)	5,500,000



Grey District Aquatic Centre

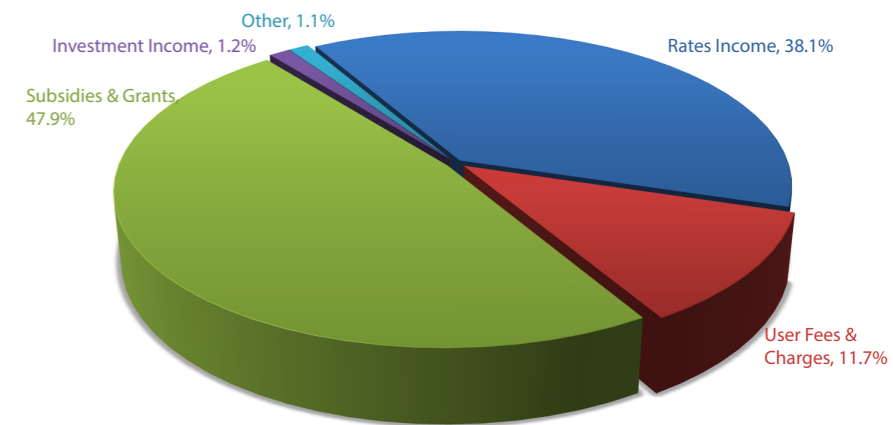
# Council's sources of income for 2013/2014

Council receives income from a number of different sources but, as illustrated, relies on rates as a major source 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 to fees and charges over the page).

The majority of subsidies received are from:

- New Zealand Transport Agency (\$4.1 million) to fund roading maintenance and capital works.
- \$5.5 million of subsidies and grants for the Miners' Recreation Centre.
- Government sewerage subsidies (\$6 million).
- Government water subsidies (\$0.9 million).



# Rating information

## What will happen with rates in 2013/2014?

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

The Draft Annual Plan signals a general rate increase of 1.9% and an overall rates increase of 3.8%. Note: This is a decrease from the overall rates increase signalled in the Long Term Plan of 5.36%.

The 2012 valuations will be used for the purposes of calculating rates for the coming year. Therefore the amount of change to your annual rates will depend on where your valuation sits compared with the **average movement of the district**. Some areas experienced an increase in valuations and some had decreases.

The actual rates charges for each property will depend on the land value and which targeted rates apply.

## Targeted rates

As signalled in the Long Term Plan, there have been increases to some targeted rates for the following main projects:

- New sewerage scheme for Taylorville/Dobson/Kaiata.
- Water supply upgrade for Dobson/Taylorville (connect to Greymouth supply).
- Water supply upgrade for Runanga.

## Summary of rates to be levied

### General Rates - payable by all properties

Rate 2012/2013	Uniform Annual General Change Rate	Proposed Rate 2013/2014	Proposed increase
\$408.20	Rate	\$418.80	\$10.60

Council is signalling a 1.9% average increase in general rates. General rates include the Uniform Annual General Charge and the rates you pay based on the value of your land. This year, how much your rates will change will also depend on the change in your 2012 valuation.

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

Rate 2012/2013	Wastewater (Sewerage) Rates	Proposed Rate 2013/2014	Proposed increase
\$515.10	Blackball	\$525.40	\$10.30 2.00%
\$533.30	Greymouth	\$547.20	\$13.90 2.61%
\$282.30	Karoro	\$287.90	\$5.60 1.98%
\$220.60	Runanga	\$225.00	\$4.40 1.99%
\$248.40	South/Beach Paroa	\$254.90	\$6.50 2.62%
\$221.70	Moana	\$227.50	\$5.80 2.62%
\$523.00	Taylorville/Dobson/Kaiata	\$915.30	\$392.30 75.01%
\$647.50	Te-Kinga	\$660.50	\$13.00 2.01%
\$432.20	South Beach Sewerage Loan	\$432.40	- -

Rate 2012/2013	Water Rates	Proposed Rate 2013/2014	Proposed increase
\$366.40	Greymouth	\$381.10	\$14.70 4.01%
\$250.10	Runanga	\$278.00	\$27.90 11.16%
\$340.60	Dobson/Taylorville	\$434.30	\$93.70 27.51%
\$436.70	Stillwater	\$445.40	\$8.70 1.99%
\$442.30	Blackball	\$451.10	\$8.80 1.99%
\$151.30	South Beach Water Loan	\$151.30	- -

Rate 2012/2013	Refuse Collection Rates	Proposed Rate 2013/2014	Proposed increase
\$182.50	Residential	\$186.20	\$3.70 2.03%
\$233.50	Residential (within kerbside recycling area)	\$238.20	\$4.70 2.01%
\$467.00	Commercial - Twice Weekly (where available)	\$476.30	\$9.30 1.99%

Rate 2012/2013	District Promotion Rate	Proposed Rate 2013/2014	Proposed increase
\$158.80	Bed and Breakfast/Homestay/Farmstay	\$173.10	\$14.30 9.01%

### The following targeted rates are payable by commercial properties only

Rate 2012/2013	District Promotion Rate	Proposed Rate 2013/2014	Proposed increase
0.000870	Rate (per \$ of capital value)	0.001050	2% (based on 2012 valuations)

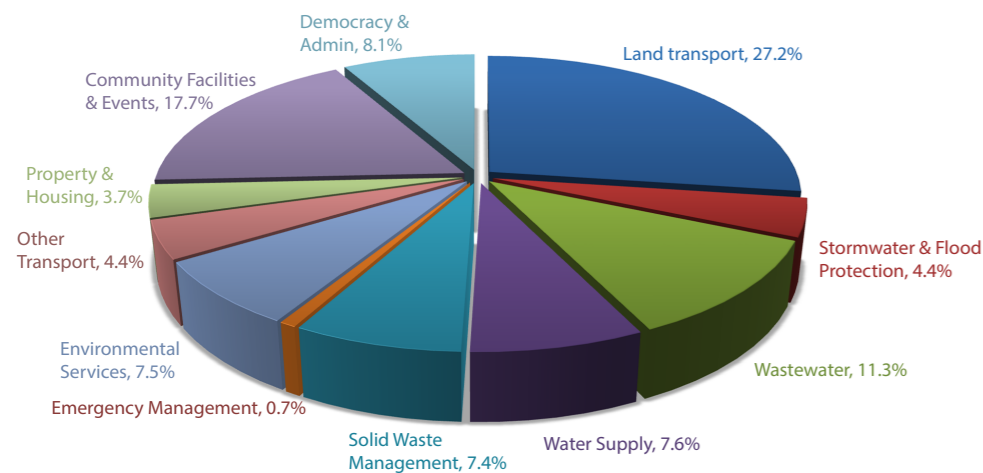
Rate 2012/2013	Water Meter Rates (excess users)	Proposed Rate 2013/2014	Proposed increase
\$1.13	Rate per cubic metre	\$1.18	\$0.05 4.42%

## Rating valuations

Rating valuations are revised by Council on a three yearly basis. The last district valuation took place on 01 September 2012 and these values will be used for setting rates for the 2013/2014 year. Your land value determines what amount of general rates you pay compared to other properties in the district.

# Operating expenditure

## Where money will be spent in 2013/2014



## 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.

## Rate input into each activity for 2013/2014

