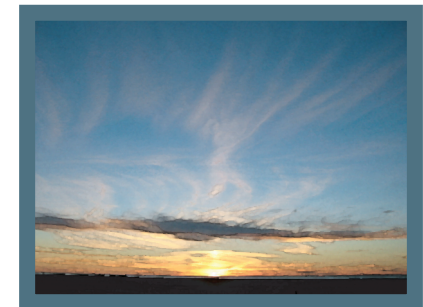




Long Term Community Outcomes Plan 2009 - 2019

Volume ONE



grey district council long term community outcomes plan 2009 – 2019

volume 1

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| section b | community outcomes |
| section c | groups of activities |
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volume 2 (under separate cover)

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Note: because of the range of subjects covered and in an effort to make the document less imposing, information is offered in summary format. More comprehensive information on specific activities is covered in the relevant activity management plans which are available to the public.

overview of the contents of the long term plan

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section a: introduction

[1] district council offices

| | |
|-------------------------|--|
| Main Office | <p>Grey District Council 105 Tainui Street P O Box 382 Greymouth</p> <p>Tel 03 769 8600 Fax 03 769 8603 email: info@greydc.govt.nz web: www.greydc.govt.nz</p> |
| Runanga Service Centre, | <p>25 Carroll Street Runanga</p> <p>Tel 03 762 7813 Fax 03 762 7813</p> |
| Grey District Library | <p>Albert Mall Greymouth</p> <p>Tel 03 768 5597 Fax 03 768 5597 email library@greydc.govt.nz</p> |
| Runanga Library | <p>25 Carroll Street Runanga</p> <p>Tel 03 762 7813</p> |
| Banker | WestpacTrust |
| Auditor | Audit New Zealand, Christchurch on behalf of the Office of the Auditor General, Wellington |
| Solicitor | Hannan & Seddon, Greymouth |

[2] your council

[1] Council

| Position | Name | Ward | Portfolio Responsibilities |
|--------------|-----------------|----------|--|
| Mayor | Tony Kokshoorn | | <ul style="list-style-type: none"> • Finance (1) • Economic Development • Port • Youth • Advocacy • Public Relations |
| Deputy Mayor | Doug Truman QSM | Central | <ul style="list-style-type: none"> • Legal • Water • Stormwater • Sewerage • Maori Affairs |
| Councillors | Paul Berry | Eastern | <ul style="list-style-type: none"> • Resource Management • Regulatory Functions • Staff • Dog and Stock Control |
| | Kevin Brown | Central | <ul style="list-style-type: none"> • Health and Disability • Library • Safety/Security |
| | Ian Cummings | Central | <ul style="list-style-type: none"> • Finance (2) • Property • Liquor Licensing |
| | Peter Haddock | Southern | <ul style="list-style-type: none"> • Land Transport • Parks and reserves • Forestry |
| | Karen Hamilton | Central | <ul style="list-style-type: none"> • Arts • Culture • Heritage • Tourism |
| | Milton Osborne | Eastern | <ul style="list-style-type: none"> • Airport • Civil Defence • Waste Management |
| | Cliff Sandrey | Northern | <ul style="list-style-type: none"> • Sport and Recreation • Cemeteries • Pensioner Housing • Welfare |



photo courtesy of Grey Star

[3] message from mayor & chief executive

We offer this as the second full Long Term Community Outcomes Plan (LTCOP) following the 2004 Draft and the 2006-2016 LTCOP. As before, Council remains concerned about the cost of compliance with the Local Government Act, 2002 and the absolute overwhelming volume of information to be presented, but it strongly supports the basic philosophy of the Act, notably in respect of:

- Greater integration
- Greater accountability
- Greater openness and transparency
- Greater public participation
- Social, economic, cultural and environmental wellbeing of the community.

The first plans have served our District better than had been expected, primarily for two reasons, namely:

1. It compelled active long-term planning by looking ten years into the future. This proved earlier longer term planning practices to be superficial at best, in spite of our honest efforts. The LTCOP has since established itself as the basis of all Council decision-making.
2. Our public has become used to the concept of long-term planning and integration. Unfortunately, Council's goal of increased participation in Council decision-making has not been achieved.

The new plan aims at improving the direct link between Outcomes and performance measures and also reporting on the achievement of performance measures. Included as performance measures are formal resident surveys for some activities. These will be carried out by an independent professional organisation to give Council direct feedback on how it is performing. This plan also introduces a new set of community identified outcomes as consulted on and, like before, Council focuses its planning on these outcomes, making this plan a Strategic Plan. A specific feature of these outcomes is that they align with the high level community outcomes used by Westland District Council, Buller District Council and the West Coast Regional Council. A range of sub-outcomes provide for those circumstances unique to our District.

Looking at issues over a longer planning period has forced Council to face up to some tough challenges. It is not possible to make decisions that have a short term benefit without considering the longer term impact of such decisions.

This plan outlines a financial strategy that has a primary focus on keeping current services affordable for the ratepayer. The costs of providing these 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 positive is that our district has been growing in recent history, after sustained periods of decline. Part of our increases have been absorbed by the additional population to share the expenditure amongst.

This plan reflects Council's position as still addressing deferred capital expenditure issues from decisions of previous Councils. Investment in new sewerage schemes is one example, where the decision to invest in upgrades was postponed until it ultimately became an issue that Council had to deal with. The Port of Greymouth is also an activity that has suffered from little investment in recent history presenting this Council with a significant challenge to address on going funding issues.

An impact of the affordability financial strategy is that there are areas such where Council is not currently fully funding the annual expenditure (i.e. deficits are forecast for some years). In short, council is signalling in this plan to raise enough money to pay its bills and replace those assets that need replacing in the next 10 years. Some of the assets we deal with last a long time and this plan signals no intention to start setting money aside for the future replacement of assets; i.e. those that need replacing beyond 2019 (funding depreciation).

Council has decided on this strategy as the most appropriate, given it has a primary focus of rates affordability and constraining increases to a minimum. It is also noted that:

- the operating deficits forecast are not cash deficits
- Council's solvency is not in question
- Whilst increased borrowing is forecast to fund new projects, total borrowing remains within the limits of Council's policy.
- Forecast interest payments on debt are well within the Liability Management Policy limits
- Adequate provision has been made for maintenance and renewals for this plan, to meet the service levels proposed and maintain the integrity of assets

Whilst Council has decided this is appropriate for the purposes of this plan, the reality is that the funding will need to be phased in the future if the intention is to replace all assets currently used. To this end Council will continue to assess and monitor the level of funding required for funding the depreciation of its infrastructural assets, paying particular focus to those assets that need replacing beyond the life of this plan, and look at developing appropriate strategies for funding their respective replacement. Councils and therefore communities beyond the life of this plan will face tough decisions on how to fund these asset replacements. The impact of this will become evident as Council formulates its next Long Term Plan in a further 3 years.

This focus on maintaining existing levels of service and to limit rate increases also means that Council is signalling little new capital development beyond that which it is already committed to, such as sewerage scheme upgrades.

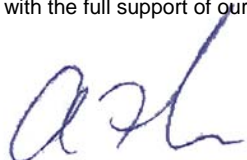
The focus of the last few years on developing the Port to become a significant money earner for the District has unfortunately come to nothing and the reliance on this to improve the District's financial standing is not to be.

The recent announcements of Government to invest in projects throughout the country; means that as at the time of preparing this plan the four West Coast local

authorities are refining what they see as the priorities for the West Coast. A regional submission will be made through Development West Coast.


Council intends for this plan to reflect the hopes and aspirations of our community. For this reason, we consult widely and provide for inputs wherever possible. Council's strong focus over the past ten years on diversifying our economy sees our District in a growth phase despite the current economic climate. The continuing development of the coal mining industry, growth in agriculture, notably dairy conversion, tourism and commercial and industrial expansion all bode well for the District and its future. However, planning in detail so far ahead involves at least a measure of speculation and the underlying assumptions used must be noted.

Council is confident that the plan is sufficiently empowering to see our District and its people grow strongly over the next ten years and that a sound basis for the long-term future of our area is in place. We look forward to meeting the associated challenges with the full support of our community.



Tony Kokshoorn

MAYOR



Paul Pretorius

CHIEF EXECUTIVE OFFICER

[4] audit opinion

**Report to the readers of
Grey District Council's
Long-Term Council Community Plan
for the ten years commencing 1 July 2009**

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, K J Boddy, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of District Council incorporating volumes 1 to 2 dated 30 June 2009 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows. We also considered the District Council's additional disclosures to demonstrate the financial prudence of its financial strategy, as explained below.

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the**

actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

Additional disclosures in respect of financial prudence

In forming our unqualified opinion, we considered the adequacy of the financial forecasts and the disclosures made by the District Council in the LTCCP in respect of its financial strategy as well as the balanced budget and financial prudence requirements of sections 100 and 101 of the Act. These disclosures include those on pages 22 to 26 and pages 145 to 149 of volume 1. For this LTCCP the District Council's primary financial strategy is based upon affordability with a focus on funding cash expenditure needs and minimising rate increases. The District Council has acknowledged that it will need to place emphasis on reassessing this strategy when preparing its 2012/2022 LTCCP. It recognises that revenue levels will need to increase after 2019 to generate funds required to replace assets.

Section 100 of the Act requires the District Council to set each year's projected operating revenues at a level sufficient to meet that year's projected operating expenses. The District Council can only set projected operating revenues at a different level if it has resolved that it is financially prudent to do so, having regard to the matters set out in section 100(2) of the Act.

Section 101(1) of the Act requires the District Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Further, section 101(2) requires adequate and effective provision in the District Council's LTCCP to meet its forecast expenditure needs.

As disclosed on page 22 of volume 1, the District Council has not set projected operating revenues at a level sufficient to meet projected operating expenses. The District Council has based its decision on what it considers that ratepayers can afford at the present time. As a consequence of this, the District Council has calculated that the amount of projected operating expenses that are not funded is \$8.8 million over the period covered by the LTCCP. The District Council has chosen to project its operating revenues at a level sufficient to meet its cash funding requirements.

The implications of this decision are explained on page 22 of volume 1. In the future, the District Council will have to consider the following options to replace assets:

- increase revenue;
- increase borrowing;
- decide not to replace particular assets; or
- reduce the level of service provided.

On pages 22 and 23 of volume 1, the District Council has outlined the factors that it considered in reaching its decision that the level of projected operating revenues is appropriate for the purpose of the LTCCP. This included consideration of the matters set out in section 100(2) of the Act.

In our opinion, the District Council has made adequate disclosure of its considerations in arriving at its decision and the implications of that decision.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 30 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;

- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor


The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



K J Boddy
 Audit New Zealand
 On behalf of the Auditor-General
 Christchurch, New Zealand

[5] about the plan

[5.1] what is in the plan

[1] introduction

This section gives information about our District and an overview of the plan, as well as an Opinion prepared by Audit New Zealand.

[2] community outcomes

Community outcomes are described and connected with the activities that Council undertakes.

[3] 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 the community outcomes.

Detailed information in respect of the separate activities is contained in activity management plans that are public documents.

[4] forecast financial statements & 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 and the main fees and charges to be set for the 2009/2010 year.

[5] policies (volume 2)

This section provides an outline of the key Council policies required to assist with decision making and planning.

[6] appendices (volume 2)

This section contains summary assessments of water services, solid waste management and sanitary assessment as required by the Local Government Act 2002. The last assessments were carried out in 2006, and Council is planning to update these in the next three years.

[5.2] what is the ten year plan?

The **2009 – 2019 Grey District Long Term Community Outcomes Plan (LTCOP)** is a requirement of Local Government Act 2002, and is based on a set of community identified outcomes. The plan covers a ten year period from 01 July 2009 to 30 June 2019 and explains what Council intends to do and what the cost will be. It is the product of extensive public consultation and strategic thinking. The first year of the plan (2009/2010) is also the Annual Plan for that year.

It will be updated and revised every three years, based on inputs from within the community. The first year of this plan serves as the 2009/2010 Annual Plan. In the second and third years (until the next review) we will prepare an Annual Plan for each year. This information will align (not necessarily identical) with the corresponding year of this plan. Should any significant deviation from this plan come up, a suitable amendment of this Plan will be consulted on.

[5.3] what are activity management plans?

Activity Management Plans are detailed analysis and summaries of each individual activity/service delivered by Council. Such plans cover all topics and requirements of the Local Government Act and form the basis for this plan. It must therefore be seen as an extension to this Plan.

[5.4] 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.

Council is also responsible for reporting on overall progress toward achievement of the community outcomes at least once every three years.

[5.5] community outcomes

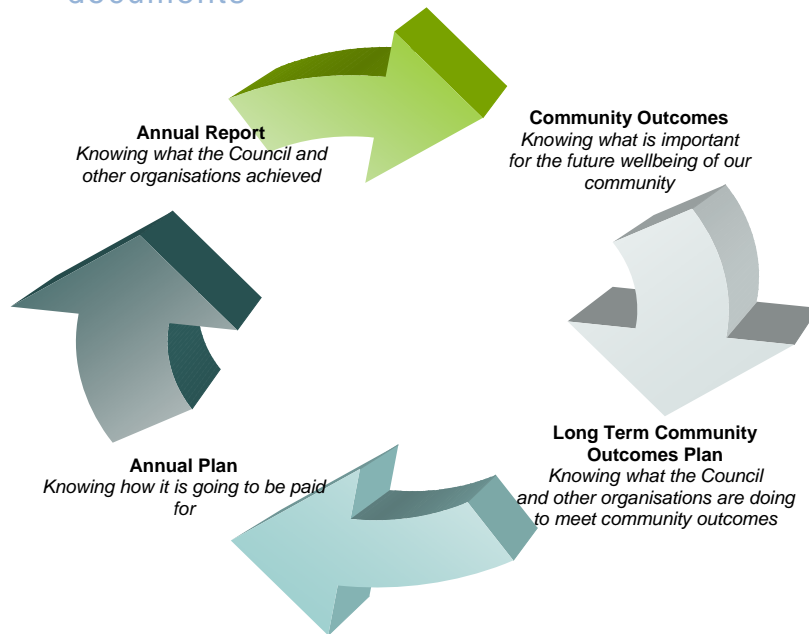
Community Outcomes must be consulted on at least once every six years. Council consulted on the outcomes in early 2008. Council will make a decision if

the community outcomes will be consulted on before the next Long Term Plan (2012 – 2022) closer to that time.

[5.6] influencing the plan

This Plan should embody the needs and aspirations of the community and it is most important that it gets as wide and diverse a public input as possible. Council actively encourages its community to read and understand the Plan and associated Activity Management Plans and to make submissions on any changes, additions or omissions they require. Residents have the choice to also address Council or a Council subcommittee set up to hear submissions, on any written submissions made. Each submission made is carefully considered.

[5.7] relationship between the long term community outcomes plan and other documents



[6] the grey district today and going forward

[6.1] grey district now

[1] overview

Extending more than 500 kilometres along the western side of the South Island, the West Coast is the longest region in New Zealand (from latitude 40°50' to 44°15' south). Its length is almost the same as the distance between Auckland and Wellington. Hemmed in between the mountains and the sea, only a narrow strip of land is habitable. Renowned for periods of high rainfall, this combined with a mild climate means the West Coast has a great extent of native forest.



The Grey District is the gateway to the West Coast of the South Island New Zealand. Stretching from the south banks of the Punakaiki River in the north to the Taramakau River in the south and out to Moana and the Little Grey River at Ikamatua in the Grey Valley. It is a district with a vast diversity, rich in history and an abundance of character.

[i] population

Although the West Coast region covers 8.7% of the land area of New Zealand, it has only 0.8% of the people. Most of the small population lives in towns near the mouths of major rivers, and the rest of the region is sparsely settled.

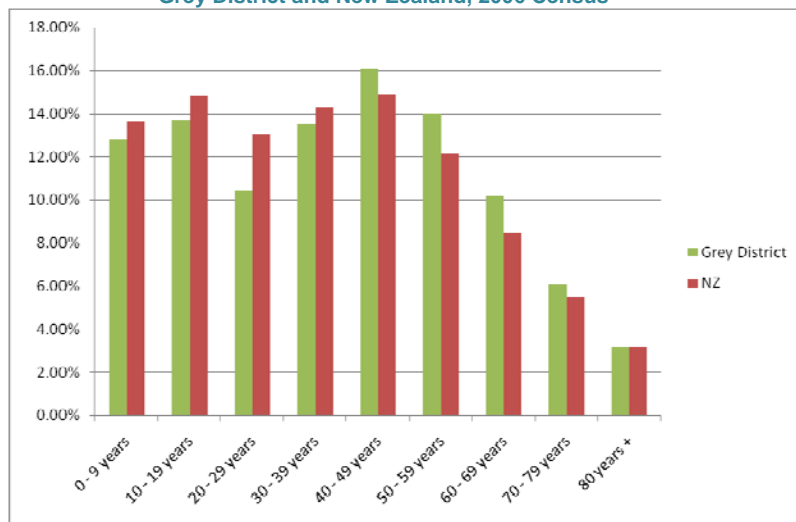
The West Coast is one of the few parts of New Zealand where the population has been declining since last century – from a high of 40,136 in 1936 down to 30,300 in 2001. However, the 2006 census showed a slight increase, to 31,326, and estimates from this time show further increases.

- population at a glance:

| | as at date | Grey District | West Coast | New Zealand |
|--|--------------|---------------|------------|-------------|
| Estimated population | 30 June 2008 | 13,650 | 32,300 | 4,268,600 |
| population change 2006 - 2008 (people) | 30 June 2008 | 100 | 200 | 84,000 |
| population change 2006 - 2008 (%) | 30 June 2008 | 0.7% | 0.6% | 2.0% |

- age distribution of population as compared to the whole of New Zealand is displayed in the following graph (2006 census)

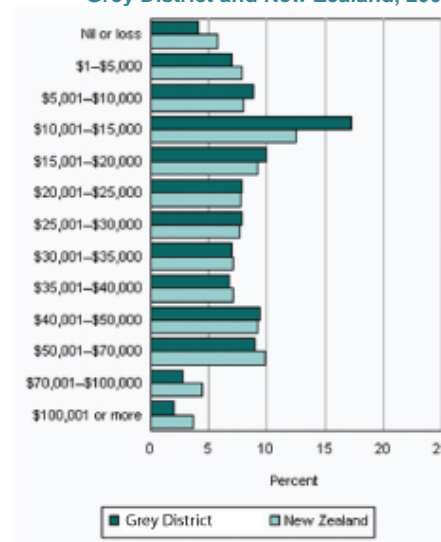
Total Population (Age group and sex)
Grey District and New Zealand, 2006 Census



- The median age (half are younger, and half older, than this age) is 38.9 years for people in Grey District. For New Zealand as a whole, the median age is 35.9 years.
- 13.5 percent of people in Grey District are aged 65 years and over, compared with 12.3 percent of the total New Zealand population.
- 21.6 percent of people are aged under 15 years in Grey District, compared with 21.5 percent for all of New Zealand.

[ii] income

Income for People Aged 15 Years and Over
Grey District and New Zealand, 2006 Census



- For people aged 15 years and over, the median income (half earn more, and half less, than this amount) in Grey District is \$21,200. This compares with a median of \$24,400 for all of New Zealand.
- 48.2 percent of people aged 15 years and over in Grey District have an annual income of \$20,000 or less, compared with 43.2 percent of people for New Zealand as a whole.
- In Grey District, 13.1 percent of people aged 15 years and over have an annual income of more than \$50,000, compared with 18.0 percent of people throughout New Zealand.

[6.2] the district in the future

On the same basis that life in our District has changed compared to 10 years ago, we can expect that the situation 10 years hence will be very different to what we have now.

In spite of the honest effort in this plan to predict what the future holds, we accept that ever changing external and other factors may prove the assumptions made totally wrong. A good example of this is the global economic crisis which is proving assumptions made as little as three years ago, at the height of the economic growth cycle, wrong. We do know that that the Grey District faces some potentially challenging and emerging issues in the short and long-term that might affect some or all of Council activities. Council's main focus is to ensure sustainability, transparency and accountability in its governance and efficiency in its Administration. Council must also continually adapt to this changing world.

Specific issues facing the district are:

[1] managing growth and change

The District, notably the Greymouth area has had a sustained period of relatively high housing growth. We expect the growth to continue albeit not at the same pace as over the past three years.

Outside of the main urban of Greymouth the District consists of a number of smaller communities. None of these communities has a current population of more than 1,000 people and even with population growth none of these communities is expected to have a permanent resident population of more than 1,000 by 2019 with. This raises concerns about how sustainable our communities are in the longer term especially given the "drive" for modern service delivery like reticulated water and sewerage.

A large number of small-dispersed communities mean that there are a number of small network infrastructure schemes and a need for road infrastructure to connect them. The fact that the Council needs to operate a number of separate water and wastewater schemes means that it is not able to take advantage of the 'economies of scale' that are associated with the provision of this type of infrastructure. The lack of a high population density will continue to play a role in increasing expenditure requirements.

Moana especially has a large transient population. During the majority of the year Lake Brunner area has a usually resident population of less than 300, however there are nearly 700 rating assessments in this area. This can put the population at peak holiday times into the thousands. Council needs to design much of its infrastructure to cope with this 'peak' population. This creates a dilemma in that much of the 'peak' period infrastructure is funded from a 'relatively' small rating base.

[2] population projections

The usual resident population of the District is expected to increase to approximately 14,000 by 2019. This is a fairly conservative average annual increase of 0.4% per annum. There will be different rates of change in each area and in some places the population is expected to not increase at all. Greymouth and surrounds is expected to remain the most populated centre. The population will continue to fluctuate during the year with a significantly higher population during the summer holiday period. This will bring with it increased pressures on infrastructure and services. In planning for future services, the focus is strongly on the needs of our youth.

[3] implications of sustained growth

In spite of Council's focus on and success in creating greater diversity in our local economy, sustained growth is not yet secure and the vulnerability of the economy is clearly felt as part of the current global economic crisis. We still expect positive growth which will have implications for the Council and the District's communities. These include:

- Planning and development issues in terms of the nature and intensity of development that is occurring and should be allowed to occur in the future within urban, rural and coastal areas.
- Questions about the impact of further development on the physical environment and the environmental standards that new development should meet.
- Infrastructure planning and development issues in terms of both providing the infrastructure needed and the need to ensure that it is consistent with the vision that the community have for the District as a whole and their individual communities.
- Community development and sustainability issues in terms of the changing social structure of our communities and our ability to maintain a 'balanced' community in terms of its socio-economic profile.
- Economic development issues in terms of ensuring that the District's economy develops in a 'balanced' and sustainable way.
- Issues about the role that the Council, as compared with the private sector, should play in the provision and funding of the infrastructure needed to service growth, and how it might work with others through public-private partnerships.
- Issues about the role that the Council, as compared with the service sector should play in the provision and funding of social services and infrastructure.
- While the majority of growth may be occurring within the existing settlements there is a question about the extent to which this is sustainable in the long-term and the impact that continued development within the existing urban settlements will have on the 'character' of these settlements.

[4] biodiversity

The District's physical environment as part of the wider West Coast is widely acknowledged as being a determinant for a buoyant tourism industry and Council has to be seen to work towards protecting it into the future. There are a number of environmental challenges facing the District. These include:

- Coastal erosion as a result of high seas. This problem is not widespread but it is serious in individual cases especially Rapahoe where existing ecosystems and even property are at risk.
- The ongoing threat of flooding, not only from the Grey, Taramakau and Arnold Rivers, but from the series of creeks running through communities, i.e Greymouth, Cobden and Runanga.
- Threats to local agriculture as a result of a relaxation in movement controls and Animal Pest Management . Bees are a more recent example.
- The ongoing threat to whitebait breeding habitats

Our District still has a wide and important range of natural "sites" and features that help making it great. These include:

- Native forest and scrub.
- Swamps and bogs.
- Streams, rivers and lakes.
- Beaches.
- Marine and estuarine ecosystems.
- A wide and unique selection of fauna, flora and bird life.

Areas of our coastline are particularly sensitive because of the presence of Southern Blue Penguin stocks.

[5] environmental standards and pressures

National and international commitments to resolving global environmental issues impact on local authorities and how they operate sustainably on a day-to-day basis and also on the type and cost of services they provide. Central government's programme on addressing climate change has resulted in the Emissions Trading Scheme, which impact on Council in two ways, namely:

- a carbon credit regime on emissions from landfills from 2012
- a levy of \$ 10.00 per tonne of waste landed at the landfill from July 2009. Council can access funding up to 50% of its levy paid if it implements waste minimization programmes i.e. kerbside recycling.

[6] climate change

The Intergovernmental Panel on Climate Change (IPCC) is unequivocal that global warming is occurring although debate continues about the validity of climate change and its pace. In a recent report on climate change impacts, adaptation and vulnerability, the IPCC states that "with high confidence, impacts of regional climate change are now evident in increasing stresses on water supply and agriculture, changed natural ecosystems, reduced seasonal snow cover and on-going glacier shrinkage". The IPCC predicts that there is a 99% probability that during the 21st century, New Zealand's climate will be warmer

with noticeable changes in extreme events, including more frequent and intense floods, landslides, droughts and storm surges. It further predicts that the potential impacts of climate change are likely to be substantial if no further adaptation is achieved. The most vulnerable areas for our District are:

- Natural ecosystems – the composition is likely to alter.
- Water security – floods are likely to increase in frequency and severity.
- Coastal communities – sea-level rise and storms are likely to exacerbate the future risk to lives, property, and infrastructure.

This then poses challenges for the District in planning for climate change in relation to land-use, infrastructure and the economy. Council already has a policy in place that makes development within the Mean High Water Spring subject to assessment by and support of a Coastal Expert. Council also, through its membership of the Greymouth Joint Floodwall Committee is ensuring that the protection values of the current Greymouth and Cobden floodwalls will be increased to a 1:150 year return period. Apart from that, Council has developed extensive Lifelines Plans and relationships and is ensuring optimal readiness of its Civil Defence personnel.

[7] ratepayer diversity

Even though the economic growth has created significant opportunity for local employment at good rates, it is a reality that a large percentage of our permanent resident population have lower than average income levels. The reality of distance from Greymouth as the main centre also determines access to services and this needs to be provided for in our rating systems. Affordability for smaller outlying communities in relation to infrastructure provision and maintenance is a significant issue and Council has, since 1989 maintained a "Club Scheme" funding arrangement whereby larger communities assist smaller communities.

The diversity of the ratepayer base and nature of the population change that has and is occurring within the District, raises a number of issues including the changes in the nature and 'feel' of a number of communities and the District as a whole

Council has for some years now focused on one District community with its own unique spirit and identity. These concepts acknowledge the importance of community as a 'social system'. In this way, despite the differences in economic profile each community fulfils an important and necessary function in terms of the wellbeing of the community as a whole. Each is dependent on the other's contribution to 'life' in the Grey District.

[8] assumptions about the future

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. It also reviews its assumptions at least every three years as part of the Ten Year Plan review.

A full set of assumptions is presented in this Plan along with notes on the level of risk, uncertainty and financial effects (refer section d:[2] key assumptions applied in the preparation of this plan page 124).

[9] increase in costs

The cost of delivering Council business is projected to continue increasing. There are many factors that can influence actual costs, including:

- Inflation.
- The ability to receive competitive tenders for contract work.
- The cost of capital works involving roading, property, water and energy.
- Subsidies received from New Zealand Transport Agency (formerly Land Transport New Zealand).
- Return on financial investments.
- Interest rates on borrowing.

[7] summary of this plan

All councils are required to have a Long Term Council Community Plan (LTCCP) and the plan is updated and consulted on every 3 years.

This Council has emphasised that this is the community's plan and has called ours the **2009 – 2019 Long Term Community Outcomes Plan (LTCOP)**.

The plan sets out what Council aims to achieve over the next 10 years, and in particular contains more specific detail on what it proposes over the next 3 years.

community outcomes

Community Outcomes describe the vision the community as a whole has for the District.

They are statements about what the community wants to achieve now and in the future

- **The 6 community outcomes for the Grey District are the same as adopted by the other local authorities on the West Coast.**

| | | | | | |
|---|---|--|---|---|--|
| 1 ENVIRONMENT | 2 ECONOMY | 3 HEALTH | 4 EDUCATION | 5 SAFETY | 6 IDENTITY |
| That the distinctive character of the environment is appreciated and retained | A thriving, resilient and innovative economy creating opportunities for growth and employment | Healthy communities with access to quality facilities and services | A district that values and supports learning with accessible, relevant education and training opportunities | A District that is a safe place to live | A “happening” district with a strong community spirit and distinctive lifestyle. |

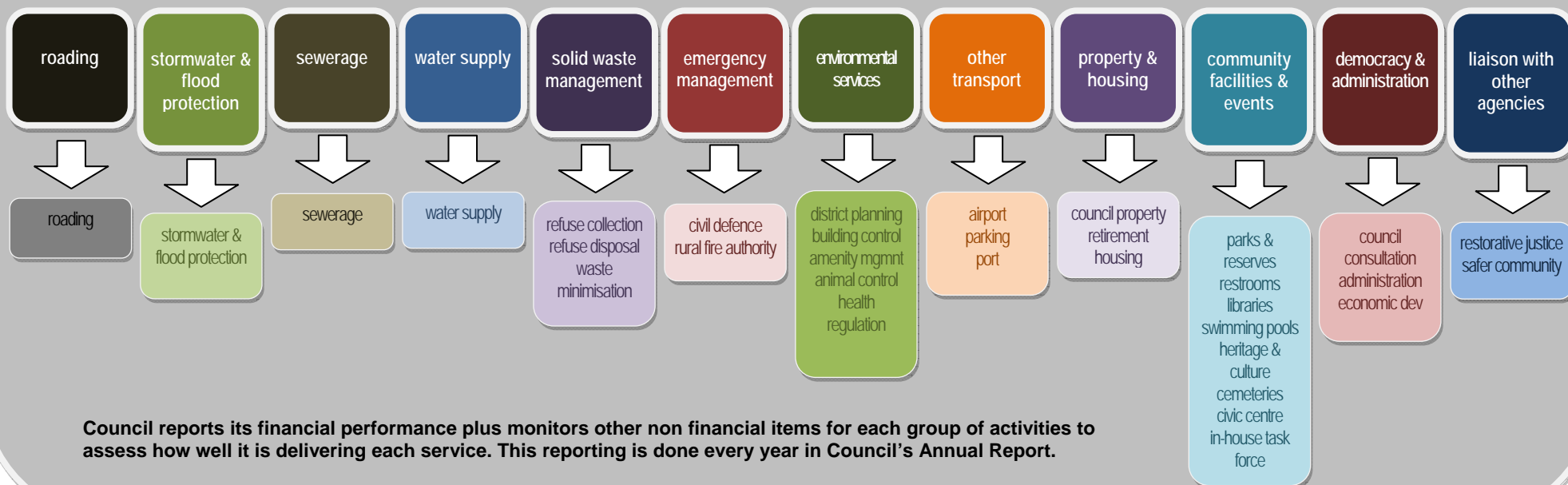
- **The services that Council provides through the activities it undertakes contribute to these outcomes. However other service providers are responsible for contributing towards achievement of outcomes (such as health providers and education providers)**
- **Council will monitor district and regional wide ‘indicators’ and from time to time report on progress towards achieving these outcomes.**

council activities and their grouping

Council undertakes a number of activities to deliver services to the community.

To simplify planning documents like this one and reporting documents Council groups its activities into those that have similar goals and/or outputs.

Council has grouped its activities as follows:



Council reports its financial performance plus monitors other non financial items for each group of activities to assess how well it is delivering each service. This reporting is done every year in Council's Annual Report.

Assumptions: In order to prepare this plan Council has had to make certain assumptions about what it expects to happen in the future. The most significant assumptions relate to how costs may increase and how the district may change over the next 10 years. Predictions on inflation have been factored into all figures included in this plan, as are any cost increases incurred from having to supply services to a growing district. In summary the Council has assumed that the district will continue to grow, however at a slower pace than it has in recent times. An annual growth of approximately 0.4% per annum has been assumed, which would see the district population grow 770 by 2019 to a total population of 14,065

key issues

This section outlines what we feel are the main issues contained within the entire plan, and those in particular we want everyone to take note of.

COUNCIL'S OVERALL FINANCIAL STRATEGY

background

A local authority is required under the Local Government Act 2002 to ensure that, for each year, its projected operating revenues are set at a level sufficient to meet that year's projected operating expenses, i.e. is Council forecasting a loss for any years. The following table shows Council's forecast operating surplus/(deficit) for each year of the plan as well as identifying the main activities that contribute to the forecast losses. Further detail on:

- Council's rationale to set budgets that run at a loss;
- the implications of such a strategy; and
- what the alternatives are.

is outlined further on in this summary for the significant activities identified.

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|-----------------------------------|--|---------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 381 | Annual operating surplus/ (deficit) | 2,447 | 2,374 | 6,426 | (22) | 1,206 | (2,690) | (2,502) | (1,647) | (1,594) | (2,489) |
| | MAIN ACTIVITIES THAT HAVE OPERATING DEFICIT | | | | | | | | | | |
| (625) | Roading surplus/ (deficit) | (427) | 496 | 1,703 | 948 | 912 | (804) | (703) | (308) | (115) | (829) |
| (194) | Stormwater and flood protection surplus/ (deficit) | (305) | (307) | (364) | (349) | (339) | (374) | (351) | (335) | (383) | (373) |
| - | Port operating deficit | (576) | (553) | (536) | (519) | (505) | (518) | (529) | (314) | (331) | (321) |

The act requirements relate to Council's overall forecast financial performance, i.e. the total of all the activities funding and expenditure. As can be seen above not all years are forecast to run at a deficit. However those activities as identified as the main contributors to the deficit run at fairly consistent deficits year to year. Council considers that it is more appropriate and transparent to focus on the issues facing these activities, rather than solely focus on the years a deficit is forecast.

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 funding the replacement and renewal of assets where required. So why do Council still forecast deficits in some years? Our forecast statement of comprehensive income, which forecast the annual surplus or deficit, includes depreciation expense. The statement of comprehensive income does not include the costs of replacing assets or creating new assets as this is classed as capital expenditure.

Assets are created from expenditure where the benefit extends beyond a year. For example, if Council replaces a bridge at a cost of \$1 million dollars, the \$1 million dollars would show as renewal capital expenditure, and not operating expenditure. The bridge will decrease in value as it is used from year to year, and if it had a life of 100 years it would decrease by \$10,000 each year. This amount of \$10,000 it decreases each year is the depreciation expense. It is a logical argument that each year the community receive \$10,000 of benefit from having the bridge available for use.

Council is responsible for many assets that have a long useful life, for example pipes and bridges can be expected to have a useful life of 100 years. There can be therefore a great time difference between funding the annual depreciation for a particular asset and its replacement. Revenue raised to fund depreciation expense can be allocated to fund that current year's capital expenditure (new and renewal), repay term debt, or transferred to a reserve to fund future asset replacement. Where activities are forecast to run at a loss Council is not fully funding the depreciation expense. As referred to above the annual depreciation is a fair allocation of the benefit derived from using an asset in any one year. Therefore any unfunded depreciation will mean that Council will have to in the future:

- increase revenue in the future to replace assets (rates and/or other sources); or
- not replace the assets, or
- replace with an asset with reduced capacity (reduced level of service)

council's financial strategy for this plan

Council's overriding financial strategy is focused on providing affordable services and to pass on general rate increases no greater than the general rate of inflation. Council recognises that the average income earned in the Grey District is less than the national average. Also the district has a higher proportion of the population over the age of 65 than the national average. This has been the strategy of the past four years and is considered even more appropriate to continue with given the current economic climate.

key issues continued...

COUNCIL'S OVERALL FINANCIAL STRATEGY CONTINUED

For the purposes of this plan it has set its revenue at a level to cover the operational and maintenance expenditure (excluding depreciation) and a level to replace those assets that is required to maintain the level of service over the life of this plan. It is decision made with the full knowledge that revenue levels will have to increase in the future, beyond the life of this plan, to generate the funds required to replace assets.

Council can set projected operating revenues at a level that is not sufficient to meet projected operating expenses if it resolves it is financially prudent to do so, taking specifically into regard (refer section 100 of Local Government Act 2002):

- (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under section 102 (being the following policies contained in volume 2)
 - revenue and financing policy; and
 - liability management policy; and
 - investment policy; and
 - policy on development contributions or financial contributions; and
 - policy on partnerships between the local authority and the private sector; and
 - policy on the remission and postponement of rates on Maori freehold land.
 - rates remission policy.

Whilst the forecast budget is not fully funded, as outlined below Council has based its decision to fund activities as indicated as it is of the opinion that this is the most ratepayers can afford and therefore is most appropriate for the purposes of this plan. This is the strategy that Council has implemented for the 10 year period of this plan. The total depreciation not funded for the first 3 years of this plan is approximately \$1.4 million, and over the life of this plan is \$8.8 million. It is noted that the next Long Term Plan will come into effect in 3 years, being the 2012 – 2022 plan. Council will place a large emphasis on reassessing the position of the district and the most appropriate financial strategy going forward.

SOLID WASTE MANAGEMENT (REFUSE/RECYCLING)

Council currently offers very limited facilities for the reduction of waste being deposited in the district landfill. This plan signals a cautious approach to setting up facilities, initially only as a drop off system at the McLeans facility. To implement any widespread service (such as kerb side recycling) would require an increase in funding (i.e. rates and user fees) in the short term. There are however long term benefits and cost savings, most notably that any future development of landfill sites is delayed if waste minimisation is successful.

A waste minimisation levy payable to government comes into effect from 01 July 2009. This is calculated on each tonne of waste going into the landfill, meaning user charges and the refuse collection rates will increase.

PORT

The current status of our port presents a difficult challenge for Council. Much hope was riding on it becoming part of a transport route for the cargo shipment of coal, but the deal never eventuated. The result is we currently have a port that services a fishing industry (that is currently expanding in the district) and a very small cargo throughput.

There is minimal renewal work signalled in this plan, and therefore taking into account depreciation (refer roading discussion above) the port runs at a significant loss (approximately \$500,000 per annum). Council currently funds shortfalls from special funds, namely proceeds from the sale and lease of harbour endowment land. There is no rates income collected for port purposes. The special funds are a finite resource and Council will have to consider all alternative options in the future.

key issues continued...

ROADING

This plan forecasts that the Roading activity will run at significant losses over the life of the plan (refer above table).

The main reason that roading is forecast to run at a loss is that depreciation expense is significantly higher than the level of renewals. Council currently sets revenue at a level to cover actual money spent year to year, i.e. this plan signals that Council will spend less on renewing roads than the level the assets decrease in value. It is noted that over the last 10 years roading construction costs have increased rapidly, particularly on the West Coast. This has meant that Council's value of the roading network has also increased markedly as it values the asset based on the current cost of replacing it. The annual depreciation for roading forecast for 2009/2010 in this plan is over double the annual roading depreciation 10 years ago (i.e. 10 years ago annual depreciation was less than \$2 million per annum, and it is forecast at over \$4 million for 2009/2010). This equates to an average annual increase in depreciation of over 7%. Council has not increased its investment in renewing and replacing assets at an equivalent level, hence there has been an increasing gap between the level of depreciation expense and level of funds raised for renewal work. The difference between depreciation expense and the money spent on renewals is approximately \$1 million per annum. However it is noted that the majority of the renewal work would qualify for financial assistance from New Zealand Transport Agency. The rate input to fund the equivalent of \$1 million of renewals would be approximately \$380,000. The implications of this approach are:

- the assets will require replacement in the future, if they are to be retained. Alternatively future Council's may need to consider not replacing assets (i.e. not resealing some roads or replacing some bridges with fords).
- The costs of replacing these assets will have to be met by an increase in revenue in the future shared between:
 - financial assistance from NZ Transport Agency; and
 - general rates. Ratepayers at the time could argue that they are paying for more than their fair share.
 - other sources, such as transfer from special funds.

As referred to above in the overview, a lot of the assets Council is responsible for have useful lives well beyond the life of this plan, i.e. up to 100 years. For example bridges, which alone account for over 15% of the depreciation expense, have estimated useful lives of:

- Concrete bridges 100 years
- Steel bridges 75 years
- Timber bridges 50 years

The majority of Council's bridges have remaining useful lives of between 40 and 90 years, i.e. they will not need replacing until between the years 2049 and 2099.

The other major component of the roading depreciation expense is the sealed pavement structure and surfacing of Council's roads (approximately 47% of the depreciation expense). Reseals take place on average every 10 years and reconstruction work every 25 years. Therefore the level of renewal work required stays reasonably constant. Whilst renewal of roads is continued throughout this plan it is signalled that the overall condition of the roading network will have a deterioration on the network overall. At the time of the last condition review the condition of Council's roading network was better than the national average. However since this time the trend nationally was an improvement in overall condition, and given the predicted decrease of Council's network it is likely the condition will reach average to below average over the life of this plan. This is reflected in proposed levels of service for the roading activity where maintenance response times will increase as the overall condition decreases. Whilst the majority of bridge renewal expenditure will not be incurred until post 2049, the level of required renewal work required for pavement structure and sealing will increase from 2019 onwards. This plan signals over 10 years approximately \$2.4 million of unfunded pavement structure and surfacing depreciation, which would require approximately \$0.9 million of rate input. It is expected this expenditure will be incurred shortly after 2019, in addition to the level of renewals included in this plan. It is reiterated that this plan signals NO intention to set any funds aside for this increasing renewal work.

Council has decided to fund only the actual renewal work carried out due to concerns over affordability, particularly in the current economic climate. Whilst this is not an equitable spread of funding Council has decided it is more appropriate at this time to not raise money that does not need to be spent during the life of this plan. This is done in the full knowledge that an increase in funding will be required in the future, at an amount that currently equates to a general rate increase of 5.5%.

The alternative (i.e. to set a fully funded budget) is to collect additional revenue over the life of this plan, and to set aside the funds not immediately required for future roading renewals. This would have the financial impact on this plan as follows (this is based on increasing funding by \$50,000 in year 4, and an additional \$50,000 each subsequent year until the budget is balanced in approximately 2019/2020).

general rates as signalled in this plan

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| general rates as forecast in this plan | (7,160,190) | (7,497,040) | (7,893,045) | (8,352,625) | (8,755,328) | (9,170,950) | (9,415,452) | (9,911,697) | (10,148,841) | (10,263,567) |
| % increase as forecast in this plan | 2.96% | 4.70% | 5.28% | 5.82% | 4.82% | 4.75% | 2.67% | 5.27% | 2.39% | 1.13% |

general rates as signalled in this plan plus additional roading funding

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| indicative general rates with additional roading funding allocated | (7,160,190) | (7,497,040) | (7,893,045) | (8,402,625) | (8,855,328) | (9,320,950) | (9,615,452) | (10,161,697) | (10,448,841) | (10,613,567) |
| % increase with additional roading funding allocated | 2.96% | 4.70% | 5.28% | 6.46% | 5.39% | 5.26% | 3.16% | 5.68% | 2.83% | 1.58% |

This would increase the average general rate increase across the life of this plan from 3.85% to 4.20%.

key issues continued...

ROADING CONTINUED...

As already stated, Council believes the signalled approach is appropriate for the purposes of this plan, however encourages public feedback as indication of preference on the issue.

NEW CAPITAL WORKS

Council has also limited any new capital development (i.e. any new assets created). This means that as in recent years there is no provision for new footpaths, sealing metalled roads etc...

WATER SUPPLY

Council has in recent times faced significant cost increases particularly with construction, maintenance, and electricity costs. This has had a significant effect on the cost of the water supply activity, and ultimately the targeted rates that each property pays. Conscious of these ongoing increases to continue existing levels of service Council is reluctant to commit to further capital upgrades that will be funded by the ratepayer.

To meet current drinking water standards Council is required to upgrade its water supplies. Whilst there are subsidies available Council has decided the costs to be met by the ratepayer are still unaffordable and as such has not included the upgrades for any supplies except Blackball.

Council believes a higher level of subsidy should be available from Government, as the existing communities will be responsible for additional operation and maintenance costs of any upgrade. The risks are that:

- the subsidies may not be available in the future if a decision is made to upgrade.
- Council can also be fined (up to \$200,000 and/or up to \$10,000 per day) for not keeping its water supplies up to current standards.

Council would loan fund any costs it is required to meet to achieve the required upgrades. This would make the annual cost to be met by the ratepayers as follows:

| Scheme | additional targeted rates required to upgrade* | when upgrade is required by |
|--------------------|--|-----------------------------|
| Stillwater | \$ 78.60 | 01 July 2012 |
| Dobson/Taylorville | \$ 10.50 | 01 July 2011 |
| Runanga/Rapahoe | \$ 24.50 | 01 July 2011 |
| Greymouth | \$ 44.90 | 01 July 2010 |

If Council assess the risk of financial penalties (i.e. fines) to be too high then it will specifically consult with the respective communities on upgrading their water supplies. This will be done through subsequent annual plans. **Please also refer to information to the right.**

* note these costs are based on the potential subsidies available per the current criteria. These subsidies have not been applied for, and are therefore not confirmed

POLICIES REQUIRED

The plan contains a number of policies that are required to be adopted as part of the Long Term Plan.

- revenue and financing policy
- liability management policy
- investment policy
- policy on development contributions or financial contributions
- policy on partnerships between the local authority and the private sector
- policy on the remission and postponement of rates on Maori freehold land.
- rates remission policy:

The 2009 plan contains no significant amendments to the current versions of the above policies. The Revenue and Financing policy contains a finer level of detail on the how and why Council funds each activity.

UPDATE: COUNCILS HAVE MORE TIME FOR WATER COMPLIANCE

As of 24 June 2009, the Government has announced a delay to requirements for communities to meet new drinking water legislation by three years.

The Minister of Health has stated that: *"The government will also be reviewing the cost, benefits and administrative burden of the legislation. We know local communities have been wanting such a review for some time."*

Compliance with sections of the Health (Drinking Water) Amendment Act 2007 is staggered depending on the size of the community. The first group, for communities bigger than 10,000 people, was due to have plans in place by 1 July this year, but now has until 1 July 2012. Smaller communities have up until 2016 to comply.

Wherever there is a significant risk to health such as contamination, the existing legal requirement remains for suppliers to take remedial action

key issues continued....

PARKS & RESERVES

As the district develops Council becomes responsible for more open areas and reserves to maintain. For example new gardens and reserves are often created as part of new subdivisions. The Grey District has been fortunate that it has experienced sustained growth in recent times, particularly as it came after long periods of decline. Council also collects financial contributions from new development to be used towards the creation and maintenance of open spaces in the Grey District.

Council has decided for this plan to limit the maintenance undertaken in the new areas and also look at low maintenance options for the type of plantings used in all areas. This is to limit any budget increases required, and therefore limit any additional rates required for the maintenance.

This may mean that some areas of the district are not maintained to standards that everyone is happy with. To do this would cost approximately an additional \$40,000 per annum, or 0.5% increase in the general rate.

SWIMMING POOLS

At the time of preparing this plan it is estimated that the new Greymouth Aquatic Centre will be completed by June 2009. In addition the upgrade of the Spring Creek Aquatic Centre (Runanga pool) is on the immediate horizon. Both projects have only succeeded due to the widespread community support and local fundraising.

Being facilities that offer a vastly improved quality of service the costs of operating and maintaining will be significantly higher. The increase will be met by an increase of fee recovery from users and an additional rate input. An increase of ratepayer input is signalled over the period of this plan.

STORMWATER AND FLOOD PROTECTION

The plan signals that this activity will run at a loss throughout this plan. Taking into account all operating expenditure the following outlines the reasons why.

- The stormwater and flood protection group of activities forecast unfunded depreciation at an average annual value of \$183,000. The majority of this is a result of:
 - \$53,000 of annual depreciation expense for Greymouth floodwall not funded as this Council is not responsible for its capital maintenance or replacement
 - Approximately \$100,000 per annum of work is funded from reserves, which is a capital source of funds and does not show as revenue. The infrastructure renewal reserve is currently funded annually by Council in excess of this amount of \$100,000, and this annual funding of the infrastructural renewal reserve is funded from the Uniform Annual General Charge.

In addition to this the Greymouth Sewerage scheme involves laying dedicated sewerage pipes, and those pipes that were previously used for both stormwater and sewerage become dedicated stormwater pipes. The result is there is currently not as much renewal work required in the Greymouth area.

Taking this into account Council thinks that this is an appropriate approach with respect to stormwater/flood protection because:

- the funding gap is not as material taking into account the above points.
- it is equitable to pass future renewal work costs onto future communities, given current communities are funding sewerage upgrade costs. Once sewerage schemes have been paid for in approximately 30 years time funding can be directed towards stormwater renewals.
- It does not represent a decrease in level of service over the life of this plan, or any decrease in level of service in the future.

SEWERAGE

This plan signals the continued upgrade of the Greymouth scheme and new schemes potentially for Taylorville, Kaiata, and Dobson. New schemes are dependent on receiving appropriate subsidies and possibly the combination of a treatment site for the 3 new schemes.

This plan forecasts unfunded depreciation of approximately \$2.5 million over the life of this plan. This relates to new sewerage schemes under construction and implemented in the last few years. The majority of this work won't require renewal for another 80 – 100 years (i.e. the estimated useful life of a pipe is 100 years). Council has received subsidies towards sewerage schemes. Council is not funding the equivalent amount that relates to relevant subsidies received. Given the long time before renewal it is impossible to predict if subsidies would be available in the future.

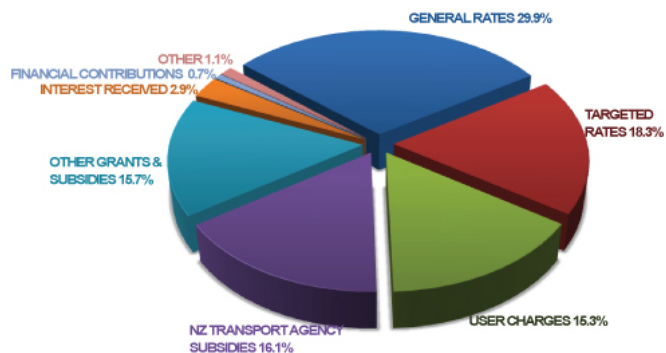
The term "*levels of service*" is often referred to when discussing what councils do and provide, and as such the phrase is used throughout this plan. It refers to the levels to which Council has promised it will provide the various services it delivers across the district, e.g. how quickly it will repair pot holes on main roads.

To increase levels of service requires additional resources and funding
To decrease costs and rates input will often mean decreasing levels of service

financial summary

where the money comes from (2009/2010)

Council collects nearly half of its revenue from rates; the Council also receives funding from other sources including: user fees, government subsidies, and interest on investments. Council's total revenue forecast for 2009/2010 is approximately \$24 million.



capital expenditure per activity (2009/2010)

Council is proposing to spend \$3.6 million renewing and replacing existing assets plus another \$8.2 million on new assets. The majority of new assets are for sewerage (\$5.4 million) involving the Greymouth upgrade and potentially a new scheme for Taylorville. There is \$1 million of new capital roading expenditure signalled, the majority relating to upgrades required on the transport route for Pike River coal. Financial assistance is received for this work from NZ Transport Agency (central government) plus a contribution from Pike River Coal Company. Council is signalling little other new capital development, due to the focus being on maintaining existing assets rather than creating additional assets to maintain as well. The challenge of funding the renewal and replacement of existing assets as outlined in the key issues section in this summary.

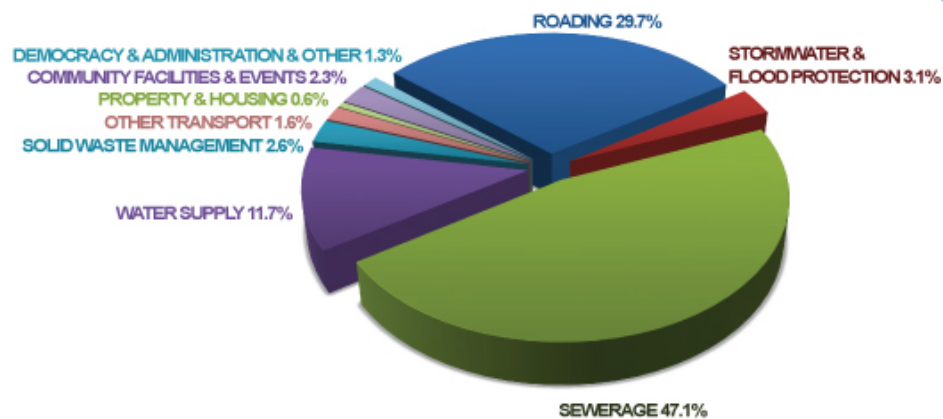
where rates are spent (2009/2010)

| Actuals | Budget | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
|-----------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 381 | Annual operating surplus/ (deficit) | 2,447 | 2,374 | 6,426 | (22) | 1,206 | (2,490) | (2,502) | (1,647) | (1,594) | (2,489) |
| | MAIN ACTIVITIES THAT HAVE OPERATING DEFICIT | | | | | | | | | | |
| (625) | Roading surplus/ (deficit) | (427) | 496 | 1,703 | 948 | 912 | (804) | (703) | (308) | (115) | (829) |
| (194) | Stormwater and flood protection surplus/ (deficit) | (385) | (307) | (364) | (349) | (339) | (374) | (351) | (335) | (383) | (373) |
| - | Port operating deficit | (576) | (553) | (536) | (519) | (505) | (518) | (529) | (314) | (331) | (321) |

The rate contribution for each group of activities is as shown in the above graph. The revenue from rates is used to cover the costs necessary to run the Council, such as:

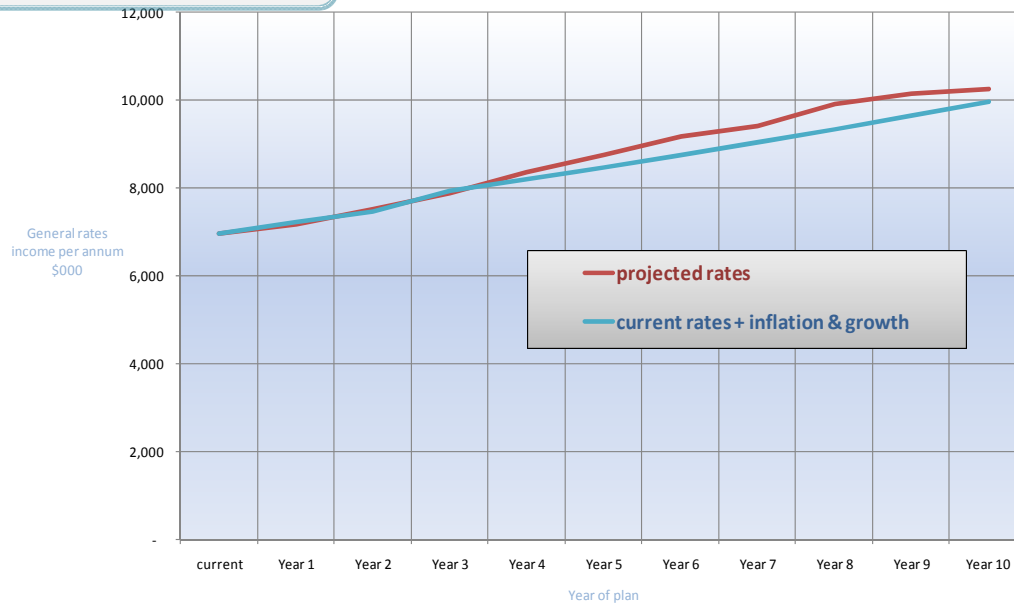
- staff costs, maintenance work on assets, insurance, electricity
- interest cost on debt
- debt repayment
- asset renewal and replacement

The total rates to be set for 2009/2010 are \$11.5 million.



financial summary continued...

forecast general rates compared with current general rates



The red line indicates the forecast increase in the general rate over the 10 year period of this plan. The blue line indicates what the change in general rates would be if we simply add inflation and growth to the current rates.

The increase in the general rate take for 2009/2010 is 2.8%. The actual effect on the individual rate account will vary depending on which rating category each property is in.

The overall general rate increase signalled over the 10 year period is an average of 3.85%. This includes increases allowing for growth, therefore the impact on the individual rate account will again vary.

General rates are paid by every ratepayer. Part of the general rate is a fixed charge applied to all rate accounts (The Uniform Annual General Charge) and part of the general rate is calculated on the land value of the property. Everyone contributes to the general rate regardless of whether a direct benefit is received from the services supplied (e.g. libraries) as it is asserted that there is a district wide benefit.

Council consulted in late 2008 on the merits of changing the calculation base to capital value. Council was in favour of retaining the status quo and the majority of submitters agreed.

Rating valuations for each property are revised three yearly by Council. The next revision will be in September 2009 and the updated values will first be used for calculating rates from 01 July 2010.

targeted rates

Council uses targeted rates to fund Water Supply, Sewerage, Refuse Collection, and District Promotion (commercial properties only). Targeted rates are charged only to properties that Council has decided receive a benefit from these services (e.g. those able to connect to a Council water supply).

No increase is signalled in the District Promotion rate charged per property. As referred to earlier with a new waste minimisation levy (payable to central government) introduced from 01 July 2009 the targeted refuse collection rate will increase \$15 per property (\$30 per commercial property on twice weekly collection).

Council has faced tremendous pressure on increasing costs, and none more so in those involved with maintaining and operating the water and sewerage activities. This includes costs such as electricity which have increased over 50% over the last 5 years (caused from increases in unit rates payable and electricity consumption). As part of its rating review in late 2008 Council also consulted on how the operations and maintenance costs should be shared amongst those communities that benefit from Council water supply and sewerage systems. It was clear that a form of cross subsidisation was still required to keep the smaller schemes affordable, however Council has limited the amount of subsidisation so those in areas that have cheaper schemes to operate and maintain pay less, and those in areas with more expensive schemes to operate and maintain pay more. The table on the following page outlines the impact of cost increases and revised funding policy for each community.

financial summary continued...

targeted rates continued ...

targeted sewerage rates

The following sewerage rates are proposed for 2009/2010 for each property connected to a sewerage system (1/2 charges apply to vacant properties within connection area)

| SEWERAGE | Rate 2009/2010 | \$ change | % change |
|-------------------|-------------------|-----------|----------|
| Blackball | 444.40 | 23.80 | 5.7% |
| Greymouth | 483.00 | 40.00 | 9.0% |
| Karoro | 223.30 | 38.10 | 20.6% |
| Runanga | 125.40 | 29.80 | -19.2% |
| South Beach/Paroa | 190.60 | 35.40 | 22.8% |
| Moana | 175.90 | 20.70 | 13.3% |
| Taylorville | - | - | - |
| Te-Kinga | 507.40 | 64.40 | 14.5% |
| South Beach Loan | 423.00 | - | - |

targeted water rates

The following water rates are proposed for 2009/2010 for each property connected to a water supply (1/2 charges apply to vacant properties within connection area)

| WATER | Rate 2009/2010 | \$ change | % change |
|------------------------|-------------------|-----------|----------|
| Blackball | 388.40 | 23.60 | 6.5% |
| Dobson/Taylorville | 293.00 | 65.60 | 28.8% |
| Greymouth | 327.80 | 12.70 | 4.0% |
| Runanga | 219.80 | 45.60 | -17.2% |
| Stillwater | 329.10 | 101.70 | 44.7% |
| South Beach Water Loan | 148.00 | - | - |

The Council sets a metered water targeted rate for the water supply that is based on the volume of water supplied to all rating units where the volume supplied is considered to be in excess of 300m³ per annum. The proposed rates for 2009/2010 is: (for all water consumed in excess of 300m³)

| METERED WATER | Rate 2009/2010 | \$ change | % change |
|---------------|-------------------|-----------|----------|
| Rate | 1.00 | 0.15 | 17.6% |

Search for your property on the internet

Council has a rates search function on its website where you can look at the rates assessment for any property in the district..

browse to www.greycdc.govt.nz and follow the link from the home page.

[8] summary of key changes between draft long term plan and this final adopted version

The draft of the 2009 – 2019 Grey District Long Term Community Outcomes Plan was released for public consultation 28 April 2009. Over 100 submissions were received by the closing date of 29 May 2009. Council consider all these submissions at an extraordinary meeting held 18 June 2009, including listening to over 25 who spoke to their submission. After due consideration of all submissions; Council decided on a number of changes to the draft which have been incorporated into this final version. The following are the main changes that have been made from the draft version:

COASTAL PATHWAY

Council has signalled the development of a coastal pathway between Greymouth and the Taramakau River. This was not included in the draft long term plan. The recently completed scoping and preliminary design study indicates that the project would meet the relevant criteria to qualify for NZTA financial assistance. The local share is signalled to be met from a mix of infrastructure reserves and/or other central government subsidies. Refer section c:[1] land transport page 41

STORMWATER IMPROVEMENTS IN GREYMOUTH

An improvement plan for the Greymouth central business district has been signalled for years 1 to 3 of this plan. The aim is to divert as much stormwater away from the lower lying areas of town wherever possible. An approximate amount of \$100,000 per annum for each of the three years has been included in this plan for capital works. This will be funded by raising a loan, and the repayment of the loan will be funded from general rates.

This was not signalled in the draft, however the localised flooding event that occurred 27 April 2009 prompted Council to consider options and subsequently commit funding to the project.

COBDEN PLAYGROUND

Council has committed to \$40,000 in 2009/2010 to upgrade equipment at the Cobden Playground. This is to be funded from special funds (subdivision reserve contributions). This was not included in the draft, but based on submissions received Council decided to commit to an upgrade.

RECYCLING

The draft plan signalled the development of recycling facilities at the McLeans refuse facility. These will be developed in 2009. Council received a number of submissions on solid waste management, and most notably on provision of recycling opportunities. Further to what had already been signalled in the draft. Council has signalled in this final plan that in 2010/2011 it will look at developing a recycling transfer facility in the Greymouth area. The capital costs of this are to be funded from special funds, and the net on-going operating costs will be funded from general rates. Refer section c:[5] solid waste management page 70

FOOTPATHS AND MINOR ROADING IMPROVEMENTS

The draft plan signalled no provision for new footpaths, as has been Council's financial strategy in recent years. After consideration of submissions Council has signalled the development of a new footpath along Raleigh St extension (between Preston Rd and Waterwalk Rd). This is to be funded from special funds (land sale reserve).

Other minor improvements have also been included for Ogilvie Rd (Gladstone) and Taylorville Rd, funded from special funds (land sale reserve).

RATING: DISTRICT PROMOTION RATE

Council consulted with the community in 2008 on whether to retain the current system of only commercial/industrial type properties being liable for this rate, or consider alternatives such as all ratepayers making a contribution. Council signalled in the draft plan to include "tourist accommodation providers in the district who operate for financial gain" (who do not currently fall within the commercial/industrial classification) within the targeted category.

There were a large number of submissions received on the issue and Council has decided in the interim to retain the status quo, and not include any additional type properties to be target rated. This is on the basis that Council will be investigated further the basis for the raising the funds required for district promotion, and consult accordingly.

section b: community outcomes

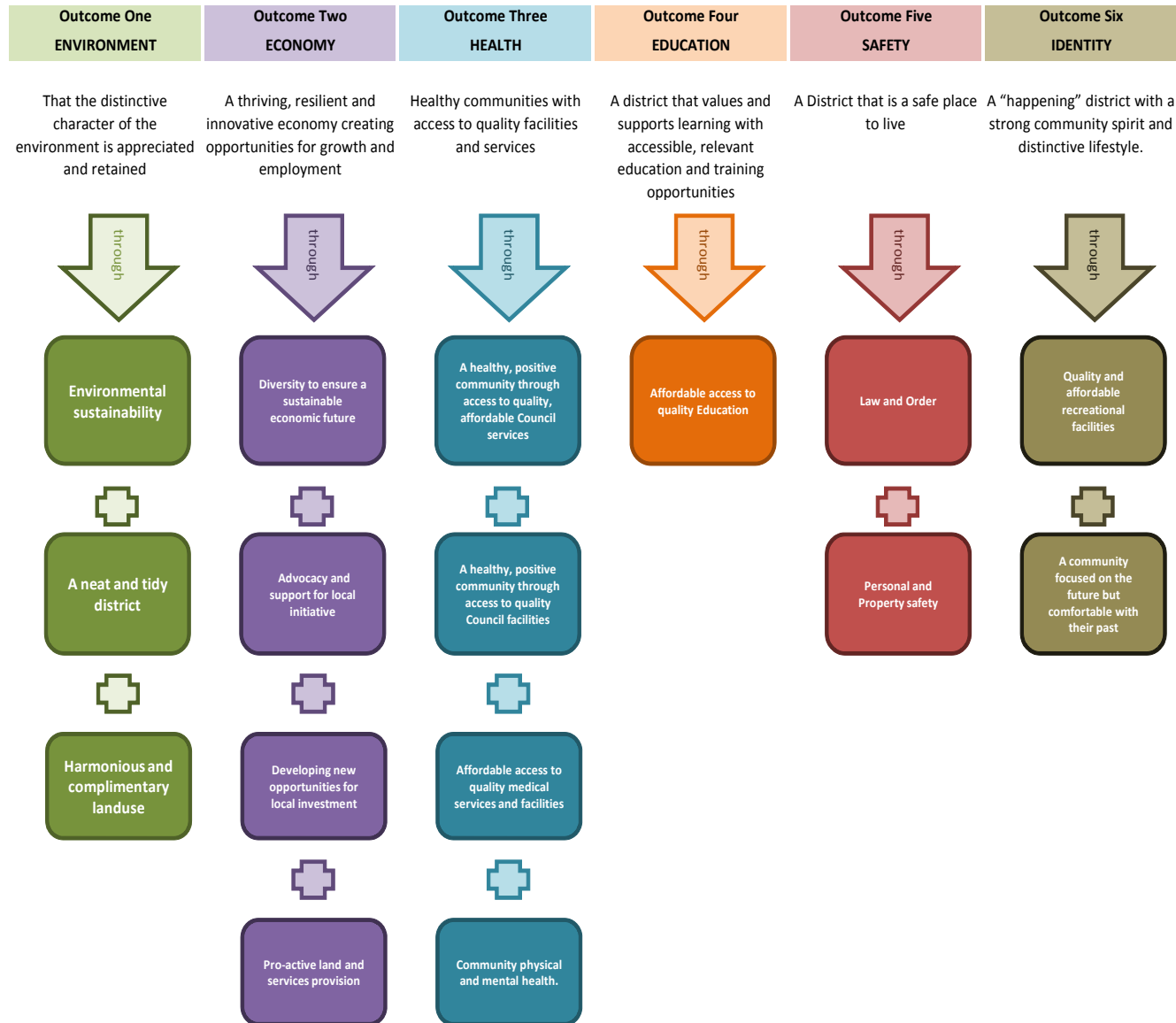
[1] introduction

Community Outcomes describe the vision the community has for the District. They are statements about what the community wants to achieve now and in the future. A way to view community outcomes is that they are 'things that the community thinks are important for its wellbeing' or things that describe what the community would like to be or to become. Different communities may frame their desired outcomes in different ways, identifying values they believe to be important or different visions for the future based on their own local resources, wants and needs. In a sense, Community Outcomes allow local communities to define what they think is good for their economic, social, cultural and environmental wellbeing and are an expression of what their values are.

[2] why do we have them?

Consultation with the community on Community Outcomes is a result of the Local Government Act 2002, which set out to improve the way that all local authorities engage with their communities. This should ensure that what communities want is reflected as much as possible in what the Grey District Council and other groups and organisations deliver. Identifying Community Outcomes help to promote better co-ordination and application of community resources and inform and guide priorities for activities undertaken by local authorities and other organisations. It means that all groups can move in the same direction together to achieve results. In our case, some of the Outcomes relate to services provided by organizations other than Council. In these, the role of Council is to facilitate the contribution of other agencies, local organisations and the business sector make to the outcomes and priorities identified by the community. In the case of Council, the Community Outcomes form the focus of this Plan making it a strategic plan. These outcomes are intended to inform the development of Council's planning and co-ordination.

[3] what are the community outcomes of the grey district?



[4] how our district identified community outcomes

Work began on developing a set of Community Outcomes that were relevant to this community back in 2003. A range of techniques were employed to canvas the opinions of as many people, organisations and local community groups as possible. Some groups that contributed were specifically targeted to provide input as we know they had already been responding to identified community needs but many different people from all walks of life had a say. It was important that the outcomes that were developed represented the whole community.

This process was repeated in 2008 when the community was canvassed on a set of high level community outcomes developed by the other local authorities in the West Coast region. In spite of Council's best efforts, the level of community input into this process was relatively low. The Regional Outcomes were confirmed. The Local Government Act 2002 requires councils to review the Community Outcomes every six years to make sure that they are always relevant and up-to-date. This is very important since much of the decision-making and planning the Council does is developed from these outcomes.

[5] how we will work with others to achieve community outcomes

The Community Outcomes process involved a range of groups, organisations and individuals and represent a summary of what they value for their future and what they want for themselves, their communities and their District. The 'community' includes lwi, stakeholder groups, businesses, government, agencies, regional agencies and people across all sectors. Making progress towards achieving the Community Outcomes will need to be a collective effort; it is not only up to the Council. Council will be working with other bodies in achieving outcomes. This is particularly relevant to the outcomes relating to Health, Education, and Safety as a lot of these functions fall outside of Council's core services.

Any expansion of Council's role into new areas can only be pursued with the clear mandate of the community and with the assurance that the Council has the expertise to maximise the application of community resources and / or funds in this area. Council will be putting the cooperation with other bodies on a more formal footing in order to secure optimum benefits from working together. The Council, in

particular, may be able to contribute in many ways that do not involve funding costly programmes or service provision such as through strategic brokering, advocacy, lobbying central government or forming partnerships with other key government agencies to make things work more efficiently. One of the benefits of working this way is that it means a variety of organisations and community groups, possibly including central government agencies, can pool resources and ideas and tackle complicated problems to bring about societal change that is very difficult for any one group on its own. Council is looking forward to exploring some of these options with other providers in the future.

[6] how do the outcomes relate to other planning documents?

This plan replaces previous strategic planning documents of Council. It is so much more powerful than the prior strategic plans because of –

- Community identified outcomes being the focus,
- the integrated focus involving the community including other service providers,
- the direct link between budget and outcomes,
- the larger measure of integration,
- the bigger picture and longer term focus.

This plan will also represent the long-term financial strategy. It runs parallel with the District Plan and further integration will follow. This plan also represents the 2009/2010 Annual Plan and will form the basis for subsequent Annual Plans.

Council is committed to developing a protocol to ensure compliance with its own other plans, i.e. the District Plan and to work with other service providers to ensure this integration. In the meantime:

- Council incorporated current strategic planning by other service providers involved in the three non-local Government outcomes in its activity management plans for the three outcomes and will concentrate on developing Action Plans as basis for compliance.
- Council agenda items cover Strategic (LTCOP) and District/Other plans as considerations for Council.

[7] community outcomes: relationship with council activities

As can be seen not all community outcomes can be directly achieved by Council. The following table summarises the relationship between what Council does and the community outcomes.

| Outcome One ENVIRONMENT | Outcome Two ECONOMY | Outcome Three HEALTH | Outcome Four EDUCATION | Outcome Five SAFETY | Outcome Six IDENTITY |
|---|---|--|---|---|--|
| That the distinctive character of the environment is appreciated and retained | A thriving, resilient and innovative economy creating opportunities for growth and employment | Healthy communities with access to quality facilities and services | A district that values and supports learning with accessible, relevant education and training opportunities | A District that is a safe place to live | A “happening” district with a strong community spirit and distinctive lifestyle. |

✓✓ significant contribution to community outcome
 ✓ contributes to community outcome

How Council contributes to outcomes

| Significant activity group Council reports on | Council Activity | ENVIRONMENT | ECONOMY | HEALTH | EDUCATION | SAFETY | IDENTITY |
|--|---|-------------|---------|--------|-----------|--------|----------|
| Roading | Roading | ✓✓ | ✓✓ | ✓ | | ✓✓ | |
| Stormwater & Flood Protection | Stormwater & Flood Protection | ✓✓ | ✓✓ | ✓ | | ✓✓ | |
| Sewerage | Sewerage | ✓✓ | ✓✓ | ✓✓ | | ✓ | |
| Water Supply | Water Supply | ✓✓ | ✓✓ | ✓✓ | | ✓✓ | |
| Solid Waste Management | Solid Waste Management | ✓✓ | ✓✓ | ✓ | | | ✓✓ |
| Emergency Management | Rural Fire Service | ✓✓ | ✓ | | | ✓✓ | |
| Emergency Management | Civil Defence and Emergency Management | | ✓✓ | | | ✓✓ | |
| Environmental Services | District Planning | ✓✓ | ✓✓ | | | | ✓ |
| Environmental Services | Building Control | ✓ | ✓ | ✓ | | | |
| Environmental Services | Dog & Stock Control | | | | | ✓✓ | |
| Environmental Services | Amenity Management | ✓✓ | | ✓✓ | | | |
| Environmental Services | Health Regulation | | | ✓✓ | | | |
| Other transport | Greyhound Aerodrome | | ✓ | ✓✓ | | ✓✓ | |
| Other transport | Parking | | ✓✓ | | | ✓ | |
| Other transport | Port | | ✓ | | | | |
| Property | Retirement Housing | | ✓ | ✓✓ | | ✓ | ✓ |
| Property | Council's Property Portfolio | | ✓ | | | | |
| Community facilities and events | Reserves | ✓✓ | ✓ | ✓✓ | | | ✓✓ |
| Community facilities and events | Council's In-house Task Force | ✓✓ | ✓ | | | | ✓ |
| Community facilities and events | Rest Rooms & Public Conveniences | ✓ | ✓ | ✓✓ | | | ✓✓ |
| Community facilities and events | Heritage & Culture | | | | ✓✓ | | ✓✓ |
| Community facilities and events | District Libraries | | | ✓✓ | ✓✓ | | ✓ |
| Community facilities and events | Swimming Baths | | ✓ | ✓✓ | | ✓✓ | ✓✓ |
| Community facilities and events | Cemeteries | ✓✓ | | ✓ | | | ✓✓ |
| Community facilities and events | Civic Centre - Sports Centre | | | ✓✓ | | | ✓✓ |
| Community facilities and events | Events & Recreation Management | | ✓ | | | | ✓✓ |
| Democracy & administration | Council | ✓ | ✓✓ | ✓ | ✓ | ✓ | ✓ |
| Democracy & administration | Consultation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Democracy & administration | Access to Official Information | | ✓✓ | | | | |
| Democracy & administration | Council Administration | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Democracy & administration | Economic Development, Marketing & Youth Dev | | ✓✓ | | | | ✓ |
| Liaison with other agencies | Co-Operation With External Service Providers | | | ✓ | ✓ | ✓ | |
| Liaison with other agencies | Community Safety Projects & Restorative Justice | | ✓ | | | ✓✓ | |

[8] monitoring achievement of community outcomes

In order to know how much progress as a community we are making toward achievement of the outcomes, Council, on behalf of the communities within the Grey District, checks progress and reports on it. It is important to note that Council doesn't have a direct role to play in the achievement of all outcomes but has the responsibility of monitoring overall achievement.

Council is working with the other West Coast Councils to share resources in gathering the data that give the best indication on what progress is being made in the achievement of outcomes. The following indicators are being used (note individual indicators may vary depending on quality of data available):

| Outcome One ENVIRONMENT | Outcome Two ECONOMY | Outcome Three HEALTH | Outcome Four EDUCATION | Outcome Five SAFETY | Outcome Six IDENTITY |
|---|---|--|---|--|--|
| That the distinctive character of the environment is appreciated and retained | A thriving, resilient and innovative economy creating opportunities for growth and employment | Healthy communities with access to quality facilities and services | A district that values and supports learning with accessible, relevant education and training opportunities | A District that is a safe place to live | A "happening" district with a strong community spirit and distinctive lifestyle. |
| | | | | | |
| Sites where development is managed to retain natural character | GST turnover/ GDP | Life expectancy | Level of qualification | Overall crime rate (compare agst national average) | Number of community events |
| Visitor level of appreciation | Number of businesses | Access to health care – outside referral | Number of educational institutions | Youth offending | Use of community facilities, i.e. museums, theatres, swimming pools |
| Access to natural features | Employment | Ratio of health providers per population | Early childhood education | Number of motor vehicle crashes (compare agst nat average) | |
| Surface water quality monitoring | | Potable water supply/quality | Apprenticeships | Improvements in preparedness for natural hazard events | |
| Reduction in waste on roadsides | | Air quality | | Progress towards identifying hazard areas where greater management is required | |
| Level of visitor waste minimisation (education) done | | | | Improved safety in public places | |

Progress towards achievement of these outcomes is to be reported on at least once every three years.

[9] prior community outcomes and linkages to activities

Council's previous LTCOP (2006 – 2016) used the eight community outcomes as identified through public consultation in 2003. It is those eight community outcomes and linkages to Council activities that have been used in planning and reporting documents up until 2008/2009. The following table summarises these prior outcomes and their relationship to Council activities.

| Outcomes as decided on in 2003 and used for 2006 - 2016 LTCOP | | | | | | | | | | |
|--|--|---|---|------------------------------------|---|---|--|--|-------------------------|--|
| Significant Activity Group Council reported on in 2006 - 2016 LTCOP | Council activity from 2006 plan | Outcome One | Outcome Two | Outcome Three | Outcome Four | Outcome Five | Outcome Six | Outcome Seven | Outcome Eight | |
| | | A District Enjoying Quality Affordable Essential Services | A Thriving Local Economy Creating Opportunity | Access To Quality Medical Services | An Attractive District Where Residents Want To Be | An Active Partnership Between Council & Our Community | Law, Order, Personal And Property Safety | Affordable Access To Quality Education | Good Social Development | |
| Roading | Roading | ✓✓ | ✓ | | ✓ | | ✓ | | | |
| Stormwater & Flood Protection | Stormwater | ✓✓ | ✓ | | ✓ | | ✓ | | | |
| | Flood Protection | ✓✓ | ✓ | | ✓ | | ✓✓ | | | |
| Sewerage | Sewerage | ✓✓ | ✓ | | ✓ | | ✓ | | | |
| Water Supply | Water | ✓✓ | ✓ | | ✓ | | ✓ | | | |
| Refuse Collection & Disposal | Refuse | ✓✓ | ✓ | | ✓ | | ✓ | | | |
| Rural Fire Authority | West Coast Rural Fire Authority | | | | | | ✓✓ | | | |
| Economic Development | Economic Development Facilitation | | ✓✓ | ✓ | ✓ | | | ✓ | | |
| Property & Housing | Property | | ✓✓ | | ✓ | | | | | |
| | Parking | | ✓✓ | | ✓ | | ✓ | | | |
| | Retirement Housing | | ✓✓ | | ✓ | | ✓ | | ✓✓ | |
| Community Services & Facilities | Airport | | ✓✓ | ✓ | ✓ | | | | | |
| | Civic Centre | | | | ✓✓ | | | | | |
| | Libraries | | | | ✓✓ | | | | ✓ | |
| | Reserves | | | | ✓✓ | | | | | |
| | Rest Rooms and Public Conveniences | | ✓ | | ✓✓ | | ✓ | | | |
| | Swimming Baths | | ✓ | | ✓✓ | | ✓ | | | |
| | Events and Recreation Management | | ✓ | | ✓✓ | | | | | |
| | Cemeteries | | ✓ | | ✓✓ | | | | | |
| | Council's In-House Task Force | | | | ✓✓ | | | | | |
| | Arts, Culture and Heritage | | ✓ | | ✓✓ | | | | | |
| Civil Defence | Emergency Management and Civil Defence | | ✓ | | ✓ | | ✓✓ | | | |
| Democracy | Council | ✓ | ✓ | ✓ | ✓ | ✓✓ | ✓ | ✓ | ✓ | |
| | Northern Ward Community Board (not applicable from Oct 07) | ✓ | ✓ | ✓ | ✓ | ✓✓ | ✓ | ✓ | ✓ | |
| | Effective and Open Consultation | ✓ | ✓ | ✓ | ✓ | ✓✓ | ✓ | ✓ | ✓ | |
| Administration | Council's Administration | ✓ | ✓ | ✓ | ✓ | ✓✓ | ✓ | ✓ | ✓ | |
| Environmental Services | Planning | | ✓ | | ✓✓ | | ✓ | | | |
| | Amenity Management | | ✓ | | ✓✓ | | ✓ | | | |
| | Access to Official Information | | | | | ✓✓ | | | | |
| | Health Regulation | | ✓ | | ✓ | | ✓✓ | | | |
| | Building Control | | ✓ | | ✓ | | ✓✓ | | | |
| | Dog and Stock Control | | | | ✓ | | ✓✓ | | | |
| Liaison with other Agencies | Co-operation with WC DHB & others | | | ✓✓ | ✓ | ✓ | ✓ | | ✓ | |
| | Co-Operation with New Zealand Police... | | | | | ✓ | ✓✓ | | | |
| | Restorative Justice | | ✓ | | ✓ | ✓ | ✓✓ | | | |
| | Education - Co-Up with Relevant Providers | | ✓ | | ✓ | ✓ | | ✓✓ | | |
| | ✓✓ | Outcome that the activity <u>primarily</u> relates to | | | | | | | | |
| | ✓ | Other Outcomes to which the activity contributes | | | | | | | | |

section c: groups of activities

[1] land transport

KEY POINTS SIGNALLED IN THIS PLAN

- renew assets on an 'as needed' basis. Current budgets show that we are spending approximately \$1 million per annum less on replacing existing road assets than their actual decrease in value (the gap between renewals and depreciation). This means there will be catch up expenditure required in the future, and as signalled in performance measures some areas where levels of service will be decreased (refer section d:[6] statement concerning balancing the budget, page 145.for full detail)
- Limited new assets created.

[1.1] activities that are included in this group of activities and rationale for grouping

- Land Transport

Reported on its own as it makes up a significant portion of council expenditure and represents a significant portion of the total assets that Council is responsible for.

[1.2] aim

To own and effectively manage safe, reliable and accessible transport infrastructure in the Grey District with consideration for the environment.

In order to:

- provide people with access to employment, services, education, and recreation,
- provide for the movement of goods to support a thriving economy.
- provide access for essential services such as power, telecommunications, water supply and waste disposal.

The Council considers that the provision of effective and efficient transportation systems is a key component of its goal to provide high quality living and productive environments.

Council's objectives are:

- To ensure that all systems comply with the New Zealand Transport Agency requirements where activities are financially assisted by this agency;
- To manage the transportation system well and in line with agreed expectations between the community and Council;
- To encourage "active" transport practices that contributes to physical and mental health.

[1.3] why we provide it

A well-maintained roading network enables economic activity and growth in the District, notably also in respect of Tourism. It is also aimed at convenience and safety of our residents.

Council is the owner of roads in the District (excluding the two state highways) and is the District Road Controlling Authority. In this capacity it determines the level at which roads and associated infrastructure are maintained and whether or not to form roads. Council sees roads as an essential service.

[1.4] key issues facing the activities

[1] current

Council has made optimum use of available New Zealand Transport Agency (formerly LTNZ) subsidies and our roading network is generally in good condition. Council is pro-active in its dealing with resource consents and subdivision consents to ensure that developers make an equitable contribution to new roads and roading upgrades. The new Land Transport Management Amendment Act 2008, may impact on future levels of funding and Council autonomy to determine the priorities and associated service standards. The uncertainty should be cleared within the next year.

Council has is funding part of a regional coordination initiative between the 4 local authorities, DHB and the NZTA for a *Walking and Cycling co-ordinator*. This position is required to assist in implementing the Regional Walking and Cycling Strategy.

West Coast Regional Council has signalled the development of a Regional Public Transport Strategy in 2009/2010. This Council will be able to use the completed strategy to save costs on the detailed assessment of what will be required to implement a subsidised public transport service for the District..

[2] 2010-2012

The focus remains on maintenance of existing assets also with an emerging focus on initiatives promoting walking, cycling and potentially public transport. Capital works are signalled where district development creates the demand and suitable funding is available.

Council has signalled the development of a coastal pathway (refer capital expenditure table below) between Greymouth and the Taramakau River. The recently completed scoping and preliminary design study indicates that the project would meet the relevant criteria to qualify for NZTA financial assistance. The local share is signalled to be met from a mix of infrastructure reserves and/or other central government subsidies.

[3] 2013-2019

Projected population increases, potential changes in land-use demographics and increased tourism and are expected to increase future traffic volumes on existing roads thereby increasing demand for road widening, sealing, safety features and upgrades. New subdivisions will further add to demand for additional road sealing. Rising fuel prices may result in the emergence of other forms of transport.

A stronger focus on legalising the occupation of Council paper roads in rural and farming areas will emerge.

Key issues that are expected include:

- Cost increases in materials may impact on the magnitude of Council's roading programme, in particular the financially assisted programme.
- The changed funding and decision-making methodology for NZTA funding may affect the programmes, in particular the unsubsidised programme.
- The potential introduction of larger trucks (longer wheelbase) by the mining industry may affect planning for the future.
- Emerging need for public transport plus walking and cycling initiatives may impact on planning for the future.
- Formalisation of paper roads by farms and other land uses, some commercial.

[1.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|--------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Five | SAFETY | A District that is a safe place to live |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| | better result than target |
| | achieved required target |
| | some targets achieved |
| | did not achieve target |
| ? | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|--|--|----------------------|------------------------------|------------------------------|------------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| <p>ECONOMY: PRO-ACTIVE SERVICES PROVISION Land transport is an essential service to support the local economy.</p> <p>SAFETY: PERSONAL AND PROPERTY SAFETY Provision of safe land transport services reduces the potential for crashes and injuries to occur.</p> <p>ENVIRONMENT: HARMONIOUS AND COMPLIMENTARY LAND-USE Local transportation networks will be provided to meet community needs without significantly compromising on the natural values of our environment.</p> | Our roads are designed and maintained to a standard that maximises the users safety | A maximum % of total road crashes in the district being caused by road conditions | ? | not known | 5% | 5% | 5% |
| | | Number of fatal accidents due to road factors. | 😊 | nil | nil | nil | nil |
| | Provide a reliable roading network | On arterial and major collector roads we respond to emergency events within 1 hour of notification or identification, and roads reopened to at least single lane traffic within 24 hours of arrival at site. | 😊 | 100% | 90% of events | 90% of events | 90% of events |
| | | | On all other roads we respond to emergency events within 2 hours of notification or identification, and roads reopened to at least single lane traffic within 48 hours of arrival at site. | 😊 | 100% | 90% of events | 90% of events |
| | | Notify planned closures to affected areas at least 24 hours prior | 😊 | 100% | 100% of all planned closures | 100% of all planned closures | 100% of all planned closures |
| | | Potholes repaired within 10 working days of being notified or identified by maintenance contractors on arterial and major collector roads | 😊 | 90% | 85% | 90% | 85% |
| | | Potholes repaired within 20 working days of being notified or identified by maintenance contractors on all other roads | 😊 | 85% | 75% | 85% | 75% |
| | | Streetlights repaired within 10 working days of being notified on arterial and major collector roads | ? | not known | 85% | 90% | 90% |
| | | Streetlights repaired within 20 working days of being notified on all other roads | ? | not known | 85% | 90% | 90% |
| | | Provide a quality roading network | Minimum % of sealed roads with a measured roughness of less than 80 NAASRA* counts. | 😞 | 59.4% | 60% | 60% |
| | Maximum % of sealed roads with a measured roughness of greater than 150 NAASRA* counts. | | 😊 | 8.80% | 10% | 10% | 15% |
| | Deliver a works programme as signalled in this plan. | Set achievable budgets for the available resources, and complete what we plan each year. Requested budget carry-forwards to be no more than 5% of total operating expenditure | 😞 | 41% | 5% | 5% | 5% |
| | | | The community is satisfied with the roading network provided | ? | not known | 75% | 80% |

* NAASRA: Road roughness is measured by a system developed by the former National Association of Australian State Roading Authorities (NAASRA). Values are obtained by a special-purpose vehicle travelling down both outside lanes of the length of a road. The rougher the road, the higher the NAASRA counts per lane kilometre.

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[1.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$000 | note | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|----------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| (199) | | (59) | (62) | (66) | (69) | (71) | (74) | (76) | (79) | (82) | (84) |
| (2,255) | | (2,917) | (3,159) | (3,248) | (3,345) | (3,468) | (3,616) | (3,715) | (3,843) | (4,006) | (4,119) |
| (12) | | (11) | (25) | (38) | (39) | (43) | (38) | (33) | (28) | (22) | (16) |
| (3,973) | | (3,991) | (4,025) | (4,620) | (4,653) | (4,685) | (5,133) | (5,154) | (5,172) | (5,652) | (5,672) |
| (6,439) | 1 | (6,978) | (7,271) | (7,972) | (8,106) | (8,267) | (8,861) | (8,978) | (9,122) | (9,762) | (9,891) |
| Capital items: | | | | | | | | | | | |
| (3,020) | | (2,416) | (2,908) | (3,060) | (3,771) | (3,234) | (3,769) | (3,897) | (4,030) | (4,167) | (4,309) |
| (743) | | (1,087) | (1,998) | (3,815) | (2,010) | (2,429) | (414) | (429) | (444) | (1,361) | (475) |
| (6) | | (14) | (39) | (67) | (78) | (94) | (98) | (103) | (109) | (114) | (115) |
| - | | (233) | - | - | - | (100) | (80) | (55) | (330) | (30) | - |
| - | | - | - | - | - | - | - | - | - | - | - |
| (3,769) | | (3,750) | (4,945) | (6,942) | (5,859) | (5,857) | (4,361) | (4,484) | (4,913) | (5,672) | (4,899) |
| (10,208) | | (10,728) | (12,216) | (14,914) | (13,965) | (14,124) | (13,222) | (13,462) | (14,035) | (15,434) | (14,790) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 2,202 | 1 | 2,379 | 2,435 | 2,468 | 2,672 | 2,751 | 3,047 | 3,095 | 3,456 | 3,457 | 3,331 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| 182 | 1 | 264 | 215 | 241 | 235 | 363 | 221 | 227 | 234 | 241 | 248 |
| 3,430 | | 3,908 | 5,117 | 6,966 | 6,147 | 6,065 | 4,789 | 4,953 | 5,124 | 5,949 | 5,483 |
| - | | - | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 145 | | 79 | 306 | 320 | 98 | 149 | - | - | - | - | - |
| 276 | | 107 | 118 | 299 | 160 | 111 | 32 | 33 | 49 | 135 | 56 |
| - | | - | - | - | - | - | - | - | - | - | - |
| 3,020 | | 3,750 | 4,025 | 4,620 | 4,653 | 4,685 | 4,361 | 4,484 | 4,913 | 5,652 | 4,899 |
| (953) | | (241) | - | - | - | - | (772) | (670) | (259) | - | (773) |
| 953 | | 241 | - | - | - | - | 772 | 670 | 259 | - | 773 |

† Transfers to and from reserves as signalled involve funds specifically set aside for roading projects.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (6,439) | Total operating expenditure | (6,978) | (7,271) | (7,972) | (8,106) | (8,267) | (8,861) | (8,978) | (9,122) | (9,762) | (9,891) |
| 2,202 | Rates income | 2,379 | 2,435 | 2,468 | 2,672 | 2,751 | 3,047 | 3,095 | 3,456 | 3,457 | 3,331 |
| 3,612 | Other activity operating income | 4,172 | 5,332 | 7,207 | 6,382 | 6,428 | 5,010 | 5,180 | 5,358 | 6,190 | 5,731 |
| (625) | Net Surplus/(Deficit) | (427) | 496 | 1,703 | 948 | 912 | (804) | (703) | (308) | (115) | (829) |

please also refer to section d:[6] statement concerning balancing the budget, page 145 for further disclosure on losses

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Significant capital projects | | | | | | | | | | |
| New Footpaths | 52 | - | - | - | - | - | - | - | - | - |
| Effluent Station | 101 | - | - | - | - | - | - | - | - | - |
| Coastal Pathway (proposed) | - | - | 1,787 | 1,177 | 966 | - | - | - | - | - |
| Blair Road sealing | - | 581 | - | - | - | - | - | - | - | - |
| Amour Crk Rd Seal Extension | - | - | 738 | - | - | - | - | - | - | - |
| Saltwater Creek - 2 Laning | - | - | - | - | - | - | - | - | 901 | - |
| Big River (Slatey) - Strengthening | - | - | 317 | - | - | - | - | - | - | - |
| Blackball Creek No.1 - Strengthening | - | - | 167 | - | - | - | - | - | - | - |
| Moana Railway Overbridge | - | 215 | - | - | - | - | - | - | - | - |
| Moonlight Ck Bridge Strengthening | - | 560 | - | - | - | - | - | - | - | - |
| Tytle-Bball Rd Strengthening | - | 290 | 307 | 317 | - | - | - | - | - | - |
| Atarua Rd Strengthening/Widening | 563 | - | - | - | - | - | - | - | - | - |
| Stillwater Railway Overbridge | - | - | - | - | 930 | - | - | - | - | - |
| Minor roading improvements | 337 | 340 | 362 | 374 | 388 | 401 | 415 | 430 | 445 | 461 |

[1.7] assets we use and how they will be managed

[1] groups of assets required by the group of activities.

| Asset Type | Qty |
|--|------------|
| Roads+ | |
| Urban (km) | 119 |
| Rural (km) | 488 |
| Total (km) | 606 |
| Footpaths (km)* | 73 |
| Bridges and Large Culverts (number of) | 223 |
| Street Lights (number of) | 1,785 |
| Bus Shelters (number of) | 39 |

+ Does not include State Highways

| Asset Type | replacement value as at 30 June 2008 \$'000 | actual (carrying) value as at 30 June 2008 \$'000 | annual depreciation \$'000 |
|-----------------------------|---|---|----------------------------|
| Formation | 63,587 | 63,587 | - |
| Sealed Pavement Structure | 56,676 | 23,359 | 1,121 |
| Sealed Pavement Surfacing | 8,362 | 3,935 | 733 |
| Unsealed Pavement Structure | 3,924 | 3,924 | - |
| Unsealed Pavement Surfacing | 275 | 16 | 15 |
| Drainage | 24,486 | 16,321 | 707 |
| Traffic Facilities | 3,060 | 2,080 | 112 |
| Streetlights | 2,818 | 1,409 | 166 |
| Bridges and Major Culverts | 55,370 | 16,530 | 687 |
| Footpaths | 8,486 | 4,920 | 412 |
| Total Valuation | 227,044 | 136,081 | 3,953 |

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

Council determines projects requiring Council funding input based on affordability, with user safety the primary focus.

[3] what additional asset capacity is required?

Attention is drawn to the capital and renewals programme above. The primary focus of Council spending is on maintaining the existing assets. One example is new footpaths not related to new subdivisions are not provided for as a result of Council's decision not to fund any unsubsidised capital works.

Demand is created for new assets by industrial developments, such as the Pike River Coal Mine development and dairying expansion. The increased traffic volume and increase in heavy vehicle loading require strengthening, widening and safety improvements on transport routes. Council has allowed for anticipated demand in this area only where there is a contribution made by the party creating the additional demand.

[4] how will additional asset capacity be undertaken?

All new projects to be considered are subject to meeting required Benefit Cost Analysis tests.

Capital works projects are publicly tendered where appropriate. The current Roding Professional Services Contract expires in 2011 (plus a right of renewal to 2013 subject to Council approval). Resealing is done annually and in all contracts, maximum competition as means to keep costs as low as possible is sought.

New developments are identified pro-actively and maximum funding support in providing infrastructure is secured in anticipation of development taking place.

[5] how will it be funded?

- NZTA financial assistance
- Financial contributions
- Loans for the local share
- General rates
- Special Funds

The projects will be funded by NZTA financial assistance, contributions by those creating significant additional demand and general rate input for the public good aspects of the programme. Roads in new subdivisions will be funded by the developers via vesting and/or financial contributions. Loans will be taken up for the 'local share' to fund capital projects with an inter-generational benefit.

[6] how will maintenance, renewal or replacement be undertaken?

- Maintenance and renewals are undertaken contractually under supervision of Council staff. Maintenance is undertaken on a preventative basis wherever possible, but also obviously on a reactive basis to issues that arise. Most significant are adverse weather events that create maintenance/renewal requirements before the assets reach their anticipated end of life.

[7] how maintenance, renewal and replacement costs are met.

- NZTA financial assistance
- General rates
- User fees
- Other

[8] assumptions about useful life and sources of funding for replacement.

- The useful lives of assets have been estimated taking into consideration the type of material, age and local ground conditions, with reference made to NZ guidelines to provide a basis for comparison.
- The current asset condition is primarily based on age. Only limited field sampling has been undertaken to test the validity of these assumptions. The knowledge and experience of staff has been used to provide a check that the predicted lives are reasonable. I
- It is assumed that the current level of financial assistance received from NZTA will continue (as has been confirmed for the next 3 years). If the financial assistance decreases Council will have to consider re-prioritising renewal and capital works and increasing the rates input for maintenance works.
- It is assumed that a contribution will be made towards the local share required for new capital works required where there is an increase in heavy vehicle movements (i.e. Pike River and other mines). If this does not eventuate the projects will have to be re-evaluated.

[1.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Dust/noise/littering impact on neighbouring properties and wider environment. | xx | x | x | x |
| Surface water discharges from road surfaces impacts on adjacent land and the wider environment. | x | x | xx | x |
| In spite of Council's best efforts to ensure good quality roads and associated signage and marking, road user risk remains a problem | xx | xx | | |

These are mitigated through good maintenance, resource consent compliance and application of best practice.

- x an impact
- xx more significant in impact

[1.9] regional land transport programme

The Grey District Council's Land Transport Programme was previously consulted with the community through the 2006-2016 LTCOP.

This programme for the District (i.e. the 2009 – 2019 programme) is now included in the Regional Land Transport Programme (RLTP), and is consulted on separately by the Regional Council in accordance with provisions of the Land Transport Management Amendment Act 2008. The Grey District Council has submitted its Land Transport Programme to the West Coast Regional Council (WCRC) for inclusion in the West Coast Regional Land Transport Programme. This process runs in parallel with the Draft Ten Year Plan process. The Land Transport Management Act requires each region to prepare a Regional Land Transport Programme covering 10 years. The focus is on provision of detailed funding for the first three years, with RLTPs then being prepared on a three yearly cycle.

There are a number of projects that have been recommended to the RLTP, but Council has not included in this plan, largely for affordability reasons. The main projects are:

- Number of Pavement and Bridge Renewals – The RLTP includes additional resealing and bridge renewals than included in this plan. This effects years 4 – 10 of the RLTP, and has been signalled in the RLTP to accommodate any potential change in Council strategy
- No seal extensions included beyond what has been specifically identified above in 'significant capital projects'. Demand has been created in recent times, particularly with the expansion of dairy farms in the district.

[2] stormwater & flood protection

KEY POINTS SIGNALLED IN THIS PLAN

- maintain the existing service provided
- reduced capital investment in greater Greymouth area as focus remains on new sewerage system, and therefore separation of stormwater from sewerage.

[2.1] activities that are included in this group of activities and rationale for grouping

- Stormwater
- Flood Protection
- Land Drainage (in identified urban areas)

The activities interact with significant overlapping.

[2.2] aim

The goals for the provision of land drainage infrastructure in the Grey District are:

- To contribute to personal and property safety through competent urban stormwater collection systems
- To contribute to personal and property safety through maintenance of urban watercourses, notably creeks in Greymouth, Cobden and Runanga.
- To ensure competent management of the Greymouth/Cobden floodwalls to ensure that such communities remain protected against flooding from the Grey River.
- To contribute to district flood protection schemes, i.e. Coal Creek and Taramakau
- To ensure owner compliance and responsibility for private drains.

Council's objectives are:

- To comply with its legal responsibilities at all times.
- To ensure access for all properties in built-up areas to a reticulated stormwater drainage system, unless other functional protocols are or can be put in place.
- In conjunction with the West Coast Regional Council, to develop and manage land drainage in non urban areas effectively.
- To manage systems responsibly and in line with public expectations.
- To improve inter agency cooperation to ensure optimum efficiency.
- To mitigate environmental effects.

[2.3] why we provide it

The Grey District enjoys high rainfall which makes it important to have competent measures in place to deal with the disposal of any surface water accumulation; to ensure that excess flows are contained to waterways and that areas/property prone to flooding are protected. Council's primary responsibility lies with stormwater drainage in urban areas, but it also owns the floodwalls and undertakes the land drainage function in defined urban areas.

Note: The West Coast Regional Council, by law, is responsible for the actual protection against flooding and therefore the maintenance and renewal of the floodwalls. The WCRC strikes a special rate against the rating District set up for this purpose.

Public drainage systems are generally designed in line with accepted industry standards and do not provide a guarantee against all flooding. Private drains are the responsibility of its owners and both Council and the West Coast Regional Council have responsibility to ensure that these responsibilities are adhered to. In terms of current legal precedent, a private drain generally:

- is not owned by a local authority,
- has not been constructed by a local authority,
- is not or has not been maintained by a local authority, and
- is generally for the use of one or a small group of properties.

Attention is drawn to the Summary of the Water and Wastewater assessments contained in volume 2.

[2.4] key issues facing the activities

[1] current

System design for a high rainfall area and a topography allowing quick run-off, make the performance of our systems, with few exceptions, very good. Constant maintenance of systems is required. Council is pro-active in its dealing with resource consents and subdivision consents to ensure that developers make an equitable contribution to services. The primary focus of this plan will remain on the Greymouth area sewerage/stormwater separation scheme. The Land Drainage function in identified urban areas is still bedding in.

An improvement plan for the Greymouth central business district has been signalled for years 1 to 3 of this plan. The aim is to divert as much stormwater away from the lower lying areas of town wherever possible (refer capital expenditure table below).

The floodwalls also perform well. They have proven to be most reliable since its erection and represents the single most important reason for ongoing prosperity in former flood plains. In high river conditions with the floodgates closed, stormwater builds up in the pipe system and limited discharges in low lying areas occur. The problem will become more manageable as the stormwater/sewer collection systems are separated.

An associated issue is the exposure of coastal areas, notably lower Rapahoe, to a rising sea. Council is pro-active by managing development within 100 m of the Mean High Water Spring to avoid the situation affecting further development.

[2] 2010-2012

The focus on stormwater will continue as integral part of the Greymouth area stormwater sewerage separation scheme. Council will also continue its focus on the elimination of ponding in built-up areas. The elevation of the floodwalls as a joint GDC/WCRC initiative is expected to be implemented. Council will, in consultation with the West Coast Regional Council and the affected community, endeavour to find solutions for the mitigation of the coastal erosion threat to people, property and Council infrastructure.

[3] 2013-2019

Population growth will increase the demand on existing systems. The focus of Council is on long-term sustainability. The reality of open waterways like Sawyers Creek, Range Creek and Raleigh Creek in built up areas may become controversial, and public feedback on this will be sought.

Council will continue to ensure that the floodwalls are well maintained. This may include the transfer of ownership of the floodwalls to the West Coast Regional Council. Council will consult its community on this before any decision is taken. The provision of \$ 50,000 p.a. for land drainage in defined urban areas as function in conjunction with the West Coast Regional Council, may prove to be inadequate and the focus will therefore be on the more significant problems.

Issues expected to come up include:

- Ensuring minimum disruption to whitebait and other freshwater life as a result of quality of run-off or maintenance and operations.
- Minimising contaminants, mitigating peak flows and respecting Maori relationship with water.
- Improving the robustness and accuracy of Council data, processes and systems in order to provide for better decision-making.
- Continuous planning of improved service delivery and also new services in outlying areas.
- Ensuring adequate maintenance to the Greymouth/Blaketown/Cobden floodwalls.
- Continuing to monitor and consider solutions to actual or potential coastal erosion in built up areas or where Council infrastructure is at risk.

The separation of sewage from stormwater will result in an appreciably higher level of service. The continued focus on the elimination of urban ponding areas will also improve services. Attention to urban land drainage functions may be less than complete because of funding issues. Mitigation of flooding associated with Raleigh

Creek and Range Creek may be determined by affordability. Planning protocols to deal with coastal inundation will continue.

[2.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|--------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Five | SAFETY | A District that is a safe place to live |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| | better result than target |
| | achieved required target |
| | some targets achieved |
| | did not achieve target |
| | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|---|---------------------|----------------------|---------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| <p>ECONOMY: PRO-ACTIVE SERVICES PROVISION Facilities required to protect the district's economy due to the relatively high rainfall.</p> <p>SAFETY: PERSONAL AND PROPERTY SAFETY Effective and efficient mitigation protects people and property.</p> <p>ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY Maintains, protects and enhances the environment by providing stormwater and flood protection facilities</p> | The systems are working effectively | Major blockages/failures removed/ fixed within 1 day of notification | ☹️ | not known | 100% | 100% | 100% |
| | | Maximum response time for emergency repairs | ☹️ | not known | 3 hours | 3 hours | 3 hours |
| | | Maximum number of incidents of ponding (rain events within design capacity) identified and resolved within approved budgets or referred to Council either as emergency works or programmed in following years budget. | 😊 | 1 | 1 | 1 | 1 |
| | | Minimum number of Joint Floodwall Committee meetings per year to consider issues and forward works programmes. | 😊 | 1 | 1 | 1 | 1 |
| | | Deliver a works programme as signalled in this plan. | ☹️ | 17% | 5% | 5% | 5% |
| | Stormwater systems are compliant | Number of abatement notices issued on consents held | 😊 | nil | nil | nil | nil |
| | The community is satisfied with the stormwater and flood protection services | number satisfied with service per user survey† | ? | not known | 75% | 80% | 80% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[2.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$000 | note | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|---------------------------------|--------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: 1 | | | | | | | | | | | |
| - | Employee costs | - | - | - | - | - | - | - | - | - | - |
| (66) | Support costs | (42) | (44) | (48) | (49) | (51) | (53) | (54) | (56) | (58) | (59) |
| (236) | Operating & maintenance costs | (259) | (279) | (301) | (306) | (313) | (331) | (333) | (344) | (361) | (365) |
| (27) | Interest expense | (16) | (15) | (14) | (22) | (21) | (30) | (40) | (43) | (40) | (36) |
| (432) | Depreciation | (504) | (504) | (571) | (572) | (573) | (627) | (628) | (629) | (688) | (689) |
| (761) | | (821) | (842) | (934) | (949) | (958) | (1,041) | (1,055) | (1,072) | (1,147) | (1,149) |
| Capital items: | | | | | | | | | | | |
| (202) | Renewal works | (216) | (218) | (232) | (427) | (247) | (474) | (510) | (399) | (281) | (291) |
| (320) | New capital | (147) | (146) | (155) | (41) | (43) | (44) | (46) | (47) | (49) | (50) |
| (12) | Debt principal repayments | (26) | (36) | (47) | (56) | (58) | (69) | (83) | (91) | (95) | (98) |
| - | Funding of reserves † | (8) | - | - | - | - | - | - | - | - | - |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (534) | | (397) | (400) | (434) | (524) | (348) | (587) | (639) | (537) | (425) | (439) |
| (1,295) | Total funding required | (1,218) | (1,242) | (1,368) | (1,473) | (1,306) | (1,628) | (1,694) | (1,609) | (1,572) | (1,588) |
| Funded by: | | | | | | | | | | | |
| Rates 1 | | | | | | | | | | | |
| 503 | Rates - General | 516 | 535 | 570 | 600 | 619 | 667 | 704 | 737 | 764 | 776 |
| - | Rates - Targeted | - | - | - | - | - | - | - | - | - | - |
| Activity Income 1 | | | | | | | | | | | |
| - | User charges | - | - | - | - | - | - | - | - | - | - |
| 64 | Subsidies/donations | - | - | - | - | - | - | - | - | - | - |
| - | Other revenue | - | - | - | - | - | - | - | - | - | - |
| - | Internal recoveries | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 187 | new loans raised | 127 | 108 | 115 | 188 | - | 219 | 246 | 127 | - | - |
| 109 | funding from reserves † | 71 | 95 | 112 | 113 | 114 | 115 | 116 | 116 | 120 | 123 |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| 202 | depreciation funded | 397 | 400 | 434 | 524 | 348 | 587 | 628 | 537 | 425 | 439 |
| (230) | Funding deficit ‡ | (107) | (104) | (137) | (48) | (225) | (40) | - | (92) | (263) | (250) |
| 230 | ‡ depreciation not funded | 107 | 104 | 137 | 48 | 225 | 40 | - | 92 | 263 | 250 |

† funding from reserves as indicated comes from the infrastructure renewal reserve which is annually funded by Council

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (761) | Total operating expenditure | (821) | (842) | (934) | (949) | (958) | (1,041) | (1,055) | (1,072) | (1,147) | (1,149) |
| 503 | Rates income | 516 | 535 | 570 | 600 | 619 | 667 | 704 | 737 | 764 | 776 |
| 64 | Other activity operating income | - | - | - | - | - | - | - | - | - | - |
| (194) | Net Surplus/(Deficit) | (305) | (307) | (364) | (349) | (339) | (374) | (351) | (335) | (383) | (373) |

please also refer to section d:[6] statement concerning balancing the budget, page 145 for further disclosure on losses

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |

Significant capital projects

| | | | | | | | | | | |
|-----------------------------------|-----|-----|-----|----|----|----|----|----|----|----|
| Rural stormwater enhancements | - | 35 | 37 | 38 | 40 | 41 | 42 | 44 | 45 | 47 |
| Greymouth stormwater improvements | 104 | 108 | 115 | - | - | - | - | - | - | - |

[2.7] asset management

Note: The floodwalls, albeit in Council ownership, are under the control of the West Coast Regional Council in respect of its maintenance, renewal and ongoing performance. Associated budgetary provision is included under the budgets of that Council. This plan provides for expenditure associated with beautification and insurance of the floodwalls.

[1] groups of assets required by the group of activities.

| community | replacement value as at 30 June 2008 \$'000 | actual (carrying) value as at 30 June 2008 \$'000 | annual depreciation \$'000 | Length of Stormwater Pipes (metres) |
|--------------------|---|---|----------------------------|-------------------------------------|
| Ahaura | 402 | 184 | 6 | 1,025 |
| Blackball | 267 | 211 | 4 | 847 |
| Blaketown | 1,172 | 593 | 16 | 3,219 |
| Cobden | 5,483 | 1,969 | 66 | 14,603 |
| Dobson | 1,667 | 718 | 24 | 28 |
| Dobson/Taylorville | 657 | 368 | 9 | 5,021 |
| Greymouth | 14,834 | 7,352 | 189 | 34,157 |
| Iveagh Bay | 1 | 1 | - | 1,617 |
| Karoro | 2,154 | 1,160 | 29 | 5,339 |
| Moana | 1,464 | 996 | 21 | 4,307 |
| Runanga | 2,825 | 1,762 | 43 | 9,358 |
| South Beach/Paroa | 1,017 | 906 | 15 | 2,922 |
| Grand Total | 31,943 | 16,220 | 422 | 84,475 |

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

The primary focus will be on the Greymouth area stormwater/sewer separation as a fixed design. The increase of the height of the floodwalls through the Joint Floodwall Committee will also address any service expectations in that respect. The actual workload involved with the assumed land drainage function is only gradually becoming evident and it is expected that public expectation for a higher Council investment in this service will increase. Public expectation re the elimination of flooding problems in Runanga and Cobden will continue and Council will monitor the situation from a safety point of view. Affordability as a value evaluation against public safety will determine the actual solutions proposed to the benefiting communities.

[3] what additional asset capacity is required?

Apart from potential investment in the elimination of flooding problems in Runanga and Cobden and potentially the levels of spending required for the urban land drainage function, no other issues are expected. Community needs re Council's urban land drainage function may increase, but it is not expected to have any significant operational or financial impact. The main focus is on separating sewage from the stormwater system in the Greymouth area. The activity management plan

provides for a more problem solving approach while also ensuring that changing needs are catered for through modelling.

[4] how will additional asset capacity be undertaken?

Future stormwater development zones are being identified pro-actively and new developments will be dealt with by means of Financial Contributions (or Development Contributions once in place). Development areas are generally well serviced and it is not expected that significant new capacity will be required. Remaining areas of ponding are addressed in a planned manner and this is not expected to represent any meaningful changes. As to the potential issues identified above, Council will consult with benefiting communities if capacity is required.

[5] how will it be funded?

- Borrowing (with loan servicing costs met from general rates)
- Financial contributions – developers of new sections
- Subsidies if available

New subdivisions will be funded by the developers via vesting and/or financial contributions.

[6] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewals are undertaken contractually under supervision of Council staff. Maintenance is undertaken on a preventative basis wherever possible, but also obviously on a reactive basis to issues that arise.

[7] how maintenance, renewal and replacement costs are met.

Maintenance is an expenditure on all properties in the district, i.e. it is funded from general rates.

[8] assumptions about useful life and sources of funding for replacement.

- The useful lives of assets have been estimated taking into consideration the type of material, age and local ground conditions, with reference made to NZ guidelines to provide a basis for comparison.
- The current asset condition is primarily based on age. Only limited field sampling has been undertaken to test the validity of these assumptions. The knowledge and experience of staff has been used to provide a check that the predicted lives are reasonable.
- It is assumed that future Councils will continue to fund reserves from general rates that enable the reserves to be used as a source of funds for renewal works.

[2.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|---|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Stormwater build up in closed floodgate circumstances | x | xx | xx | x |
| Flooding because of Temporary system overload | x | xx | xx | x |
| Waterway contamination during flooding | x | | xx | xx |
| Floodwalls Limit development on river edge | x | xx | | |
| Ongoing rates input required | x | x | | |
| Open creeks may pose threat to life, notably children | xx | | | x |

These are mitigated through careful and responsible management of the activity, compliance with Resource Consent conditions and being pro-active.

- x an impact
- xx more significant in impact

[3] sewerage

KEY POINTS SIGNALLED IN THIS PLAN

- Maintaining the existing service to current properties connected to a Council system
- On-going capital upgrade of greater Greymouth scheme and separation of sewerage from stormwater
- New schemes signalled for Taylorville, Kaiata, and Dobson, if appropriate Government subsidies are available to make schemes affordable for locals
- Upgrading other existing schemes where growth is creating the demand
- Reduced cross subsidy between ratepayers in those areas where schemes cost less to operate and maintain and those in areas where the schemes cost more to operate and maintain.

[3.1] activities that are included in this group of activities and rationale for grouping

- Sewerage

Even though there are synergies with other activities, i.e. health promotion, this is an important cost activity and community focus and is dealt with on a stand-alone basis.

[3.2] aim

The goals for the provision of sewerage infrastructure in the Grey District are:

- To provide for the safe, efficient and affordable collection, treatment and disposal of sewage in built-up areas within the District.
- To limit impacts on the environment
- To respect Maori cultural concerns re disposal practices.

Council's objectives are:

- To comply with statutory/legislative responsibilities.
- To meet public expectations.

- To facilitate public reticulation schemes for residential towns throughout the District.
- To optimally make use of Government subsidies
- To mitigate environmental effects.

[3.3] why we provide it

Council provides reticulated sewerage treatment and disposal systems to achieve high quality community health and wellbeing and to minimise adverse effects on the receiving environment. The service has a strong community health and environmental purpose. On-site disposal arrangements are operational in most outlying residential areas with Council's involvement mainly focusing on health impacts and to facilitate upgrades to reticulated systems where the communities elect to do so.

Council manages four sewer schemes (plus one currently under construction), the status of which is:

- Greymouth/Blaketown/Cobden/Boddytown: Non-complying with Resource Management Act, 1991 but under full replacement.
- Runanga: Complying with the Resource Management Act, 1991. During heavy downpours, the sub standard pipe system also collects ground water which causes discharges into Seven Mile Creek (this complies with consent conditions).
- Moana: Complying with the Resource Management Act 1991 but subject to continuous management to achieve this.
- Karoro/South Beach/Paroa: Complying with the Resource Management Act, 1991.
- Blackball: Complying with the Resource Management Act, 1991

Unsuitable soil conditions in other built-up areas make current on-site disposal arrangements impractical and ineffective and Council places a strong emphasis on implementing reticulated schemes throughout. The availability of Government subsidies (SWSS) is a determinant for such upgrades as it is otherwise unaffordable.

Attention is drawn to the Summary of the Water and Wastewater Assessment in volume 2.

[3.4] key issues facing the activities

[1] current

The primary focus is on the Greymouth area stormwater/sewer separation scheme. Applications for subsidies under the SWSS for sewer reticulation schemes for Kaiata and Dobson have been submitted and the outcome is awaited. Approval has recently been received for a scheme in Taylorville.

Council is pro-active in its dealing with resource consents and subdivision consents to ensure that developers make an equitable contribution to services.

The South Beach/Paroa scheme is not functioning to optimum performance as a result of a large number of the properties having connected to the scheme. The lack of flow in the collection system results in build-up in lower-lying areas, notably the Jacks Road area. The remaining 'infill' areas to be developed and connected affect repayment of the capital costs of the scheme.

[2] 2010 – 2012

The main focus will remain on the Greymouth area sewer scheme with the work moving to Blaketown. If subsidies for Dobson, Kaiata can be secured, the process of final consultation, scheme design and implementation will follow suit. Council is negotiating with the developers of Kaiata Park to combine the new Kaiata Park scheme with any proposed scheme for Dobson and Kaiata thereby reducing cost for all residents in that area. A Moana upgrade is also planned due to ongoing increased demand.

[3] future

The Greymouth area scheme will represent a significant focus for some years to come. Other outlying townships will be considered for reticulation and, subject to community support, application for SWSS assistance will be submitted. Future populations will be provided for through appropriate subdivision consent conditions. The focus of Council is on long-term sustainability and future growth and the capacity of existing treatment facilities will be carefully considered as basis for new development.

Important issues to note are:

- Continuous planning of sewer service delivery in outlying areas. The actual decision to engage in formal schemes will be determined by essentially two factors, the availability of maximum subsidies under SWSS and the consent of each community as they will fund the services. The commitment to complying with Resource Consent conditions for existing discharges.
- Addressing specific, known problem areas on a priority basis
- Minimising overflow events into waterways wherever possible, both as a health and amenity measure and as a means of respecting Maori relationship with water
- Improving the robustness of systems to withstand adverse events






[3.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|---|---------------------------|
|  | better result than target |
|  | achieved required target |
|  | some targets achieved |
|  | did not achieve target |
|  | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|--|---------------------|--------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY Maintains, protects and enhances the environment by providing for the collection, treatment and safe disposal of waste HEALTH: A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY AND AFFORDABLE COUNCIL SERVICES Contributes to the public health of the community | The systems are working effectively | A low number of complaints received about odours from Council sewerage systems | 😊😊 | 0 | 2 per 1000 connected properties | 2 per 1000 connected properties | 1.5 per 1000 connected properties |
| | | Number of waste water overflows | ? | not known | 5 max per community p.a. | 5 max per community p.a. | 5 max per community p.a. |
| | Respond to and fix any issues within a reasonable timeframe | response timeframe for emergency events | 😊 | 100% | 3 hours from request | 3 hours from request | 3 hours from request |
| | | response timeframe for all other events | ? | not known | 1 working day from request | 1 working day from request | 1 working day from request |
| | Deliver a works programme as signalled in this plan. | Set achievable budgets for the available resources, and complete what we plan each year. Requested budget carry-forwards to be no more than 5% of total operating expenditure | 😞 | 42% | 5% | 5% | 5% |
| | We inform the public of any scheduled events that will effect the sewerage service | Minimum notice period of any planned shutdowns | 😊 | no shutdowns | 24 hours | 24 hours | 24 hours |
| | Number of abatement notices | 😊 | nil | nil | nil | nil | |
| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ECONOMY: DEVELOPING NEW OPPORTUNITIES FOR LOCAL INVESTMENT Provision of new schemes and upgrade of existing schemes creates opportunities for economic growth. ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY Maintains, protects and enhances the environment by providing for the collection, treatment and safe disposal of waste | Properties connect to new schemes provided as soon as practical | All applicable properties in Paroa / South Beach connected by 30 June 2009. It is Council policy for all properties to be connected by 30 June 2009, however given the likelihood that this is not achieved Council has retained the performance measure in this plan. | 😞 | 60 properties still to connect | 100% | n/a | n/a |
| | | All applicable properties in Cobden connected by 30 June 2010. | new | n/a | 100% | n/a | n/a |
| | | All applicable properties in Blaketown connected by 30 June 2011 | new | n/a | n/a | 100% | n/a |
| | The Greymouth sewerage scheme is completed on time and on budget | Completed by 30 June 2014 | 😊 | n/a | 50% | 75% | 100% (2014/2015) |
| | The community is satisfied with the sewerage systems | number satisfied with sewerage service, per user survey† | ? | not known | 75% | 75% | 80% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[3.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$'000 | note | Budget 2009/2010 \$'000 | Forecast Budget 2010/2011 \$'000 | Forecast Budget 2011/2012 \$'000 | Forecast Budget 2012/2013 \$'000 | Forecast Budget 2013/2014 \$'000 | Forecast Budget 2014/2015 \$'000 | Forecast Budget 2015/2016 \$'000 | Forecast Budget 2016/2017 \$'000 | Forecast Budget 2017/2018 \$'000 | Forecast Budget 2018/2019 \$'000 |
|---------------------------------|----------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| (54) | | (53) | (56) | (61) | (68) | (70) | (72) | (75) | (77) | (80) | (83) |
| (441) | | (550) | (599) | (644) | (754) | (801) | (836) | (862) | (915) | (929) | (962) |
| (81) | | (78) | (268) | (503) | (424) | (907) | (1,140) | (1,122) | (1,106) | (1,085) | (1,059) |
| (588) | | (616) | (722) | (908) | (1,015) | (1,117) | (1,216) | (1,216) | (1,216) | (1,282) | (1,283) |
| (1,164) | 1 | (1,297) | (1,645) | (2,116) | (2,261) | (2,895) | (3,264) | (3,275) | (3,314) | (3,376) | (3,387) |
| Capital items: | | | | | | | | | | | |
| (181) | | (195) | (203) | (216) | (227) | (236) | (244) | (253) | (262) | (271) | (281) |
| (2,374) | | (5,349) | (8,798) | (5,870) | (8,440) | (5,069) | - | - | - | - | - |
| (6) | | (8) | (2,006) | (1,843) | (79) | (100) | (270) | (247) | (303) | (365) | (434) |
| (97) | | (320) | (98) | (102) | (99) | (96) | (91) | (86) | (80) | (72) | (71) |
| (79) | | (17) | (25) | (43) | (54) | (67) | (81) | (98) | (116) | (19) | (23) |
| (2,737) | | (5,889) | (11,130) | (8,074) | (8,899) | (5,568) | (686) | (684) | (761) | (727) | (809) |
| (3,901) | | (7,186) | (12,775) | (10,190) | (11,160) | (8,463) | (3,950) | (3,959) | (4,075) | (4,103) | (4,196) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| 1,465 | | 1,647 | 1,845 | 1,935 | 2,092 | 2,180 | 2,257 | 2,328 | 2,425 | 2,485 | 2,567 |
| Activity Income | | | | | | | | | | | |
| 290 | 1 | 228 | 236 | 114 | 92 | 40 | 42 | 44 | 45 | 47 | 49 |
| - | | 2,222 | 2,162 | 4,593 | - | 1,759 | - | - | - | - | - |
| 139 | | 64 | 109 | 267 | 290 | 327 | 352 | 288 | 312 | 219 | 236 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 177 | | 2,380 | 4,083 | 1,722 | 6,116 | 3,007 | 49 | 48 | 41 | 33 | 23 |
| 1,242 | | 29 | 3,618 | 651 | 1,555 | 33 | 34 | 35 | 36 | 37 | 38 |
| - | | - | - | - | - | - | - | - | - | - | - |
| 181 | | 616 | 722 | 908 | 1,015 | 1,117 | 686 | 684 | 761 | 727 | 809 |
| (407) | | - | - | - | - | - | (530) | (532) | (455) | (555) | (474) |
| 407 | | - | - | - | - | - | 530 | 532 | 455 | 555 | 474 |

† reserve funds to be utilised are specific funds set aside for capital projects, such as the Greymouth sewerage scheme.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (1,164) | Total operating expenditure | (1,297) | (1,645) | (2,116) | (2,261) | (2,895) | (3,264) | (3,275) | (3,314) | (3,376) | (3,387) |
| 1,465 | Rates income | 1,647 | 1,845 | 1,935 | 2,092 | 2,180 | 2,257 | 2,328 | 2,425 | 2,485 | 2,567 |
| 429 | Other activity operating income | 2,514 | 2,507 | 4,974 | 382 | 2,126 | 394 | 332 | 357 | 266 | 285 |
| 730 | Net Surplus/(Deficit) | 2,864 | 2,707 | 4,793 | 213 | 1,411 | (613) | (615) | (532) | (625) | (535) |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|

Significant capital projects

| | | | | | | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|---|---|---|---|---|
| Taylorville Scheme | 2,402 | - | - | - | - | - | - | - | - | - |
| Dobson Scheme | - | 2,876 | - | - | - | - | - | - | - | - |
| Kaiata Scheme | - | 1,363 | - | - | - | - | - | - | - | - |
| Moana WWTP Upgrade | - | - | 1,716 | - | - | - | - | - | - | - |
| Karoro Plant Expansion | - | 249 | - | - | - | - | - | - | - | - |
| Greymouth Scheme (Stage 1 & 2) | 2,941 | 4,310 | 4,154 | 8,440 | 5,069 | - | - | - | - | - |

[3.7] assets we use and how they will be managed

Note: Council endeavours to incorporate community schemes with nearby new township developments thereby reducing costs and rationalising on the number of schemes.

[1] groups of assets required by the group of activities.

| Component | replacement value as at 30 June 2008 \$'000 | actual (carrying) value as at 30 June 2008 \$'000 | annual depreciation \$'000 | pipeline length (m) (if applicable) |
|---------------------|---|---|----------------------------|-------------------------------------|
| Pipelines | 24,536 | 13,282 | 272 | 115,419 |
| Treatment plant | 6,560 | 4,901 | 199 | |
| Service Connections | 4,406 | 2,521 | 53 | |
| Property Laterals | 2,947 | 2,107 | 36 | 26,066 |
| Grand Total | 38,448 | 22,811 | 560 | 141,485 |

| Community Area | Existing Connections/ available connections |
|-------------------|---|
| Karoro | 402 |
| Kaiata Park | 62 |
| South Beach/Paroa | 291 |
| Blackball | 221 |
| Moana | 310 |
| Iveagh Bay | 26 |
| Runanga-Dundolie | 576 |
| Cobden | 763 |
| Blaketown | 369 |
| Greymouth Central | 638 |
| Greymouth South | 1,310 |
| | 4,968 |

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

The Greymouth area stormwater/sewer separation project is based on a fixed design providing for growth and it is not expected that there will be any change as a result of higher capacity demand. Demand for the reticulation of outlying townships is being dealt with on a pro-active basis and depends on SWSS assistance being available. A reality to contend with is that reticulation schemes are expensive.

Soil conditions throughout the District make most on-site systems less effective and there is a real threat to the health of some communities. Consultation on community schemes will focus on these communities first.

[3] what additional asset capacity is required?

The growing demand to implement water borne system in rural towns is a reality and Council is working with communities to determine their needs. Health and affordability are the driving factors for new schemes with the availability of Crown subsidies the determining factor. New schemes are designed to accommodate expected growth in those areas.

[4] how will additional asset capacity be undertaken?

Where community support and buy-in is achieved additional assets are created by the introduction of water borne collection systems, a treatment facility and approved, consented discharge arrangements. Where communities decide not to implement collection schemes, the situation will be managed with the key focus, the ongoing health and wellbeing of communities.

[5] how will it be funded?

- User fees
- Subsidies
- Borrowing, with repayment and servicing costs funded from targeted rates (benefiting communities only)
- Financial contributions – developers of new sections

Schemes for existing communities require central government subsidy to meet local affordability criteria. Currently SWSS subsidies where available have been utilised, targeted rates on benefiting communities, and financial contributions from new development. New subdivisions will be funded by the developers via vesting and/or financial contributions.

[6] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewals are undertaken contractually under supervision of Council staff. Maintenance is undertaken on a preventative basis wherever possible, but also obviously on a reactive basis to issues that arise.

[7] how maintenance, renewal and replacement costs are met.

- Targeted rates (club scheme)
- User charges

Maintenance, renewal and maintenance costs are met by all residents who have the availability to connect to a Council scheme. Council funds the estimated annual cost of maintaining the service provision of the existing assets, which may result in peaks and troughs in the annual level of expenditure if these needs vary from year to year. Those who have been identified as discharging trade waste into the systems pay an additional volumetric charge.

[8] assumptions about useful life and sources of funding for replacement.

- The useful lives of assets have been estimated taking into consideration the type of material, age and local ground conditions, with reference made to NZ guidelines to provide a basis for comparison.
- The current asset condition is primarily based on age. Only limited field sampling has been undertaken to test the validity of these assumptions. The knowledge and experience of staff has been used to provide a check that the predicted lives are reasonable.
- It is assumed that there will be subsidies available for new schemes where signalled in this plan. The Greymouth scheme is in progress with subsidies and timing of payment agreed to. The Taylorville scheme has had provisional approval, but at this stage there has been no subsidy approval for Kaiata and Dobson.

[3.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Odours and visual impacts on neighbouring properties. | xx | x | x | x |
| Serious implications of the Council does not meeting its wastewater disposal standards i.e. damage to community health, marine life and estuaries, beaches and other water bodies. | xx | xx | xx | xx |
| The high capital development costs and associated affordability impacts. | xx | xx | | x |
| Development within close proximity of treatment plants restricted | x | xx | | x |

These are mitigated through responsible management of the activity, pro-active planning and resource consent compliance

- x an impact
- xx more significant in impact

[4] water supply

KEY POINTS SIGNALLED IN THIS PLAN

- maintain the existing levels of service provided to properties currently connected to Council water supply
- Upgrade of Blackball supply to comply with new drinking water standards in year 1 of this plan
- New water scheme signalled for Moana in year 3 of this plan, specific consultation with the community to be undertaken in the future.
- No other water supply upgrades included as Council wants to address levels of subsidy available due to Council's concern with affordability on the local community.
- Reduced cross subsidy between ratepayers in those areas where schemes cost less to operate and maintain and those in areas where the schemes cost more to operate and maintain.

[4.1] activities that are included in this group of activities and rationale for grouping

- Water Supply

This is an important cost activity and community focus and is dealt with on a stand-alone basis.

[4.2] aim

The water service activity goal is:

- To ensure adequate potable supplies of water (by private or public means) for all consumers.
- To ensure that adequate water supplies are available for fire fighting purposes.
- To encourage the sustainable use of water as limited resource for agricultural, horticultural, commercial, industrial and domestic purposes and to discourage wastage.

And council's objectives are:

- To ensure that all public systems comply with the Resource Management Act and consents issued under the Act
- To ensure all consumers have access to good quality water. (note this plan signals that Council may not meet new drinking water standards, refer below)
- To secure the quality and adequacy of all existing private water supply systems in the district.
- To be pro-active on the renewal of existing facilities or the provision of new schemes.
- To ensure the maintenance of public infrastructural assets in perpetuity so that there is no diminution in value and to provide for the estimated future cost of doing so.
- To undertake all physical works to a high standard, within budget, and within time.
- To maintain a sound management regime for all matters relating to water into the future.

[4.3] why we provide it

Territorial authorities have numerous responsibilities relating to the supply of water. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within their districts. This implies that, in the case of the provision of potable water, councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

There is also a growing worldwide expectation that having access to a good supply of potable water is a Human Right.

Council manages five water schemes, the status of which is:

- Greymouth area: Chlorinated. Very good quality. Turbidity becomes compromised in prolonged high river conditions.
- Runanga/Rapahoe: Untreated. Potential quality and risk issues. (The community prefers non-chlorination)
- Stillwater: Chlorinated. Generally good quality.
- Blackball: Chlorinated. Generally good quality.
- Dobson: Chlorinated. Generally good quality.

Attention is drawn to the Summary of the Water and Wastewater Assessment as contained in volume 2.

[4.4] key issues facing the activities

Council, subject to subsidies being available and affordability considerations, will commit to a programme of water filtration in order to improve compliance with the new Drinking Water Standard. Communities currently on roof collection will be given the option to commit to formal water reticulation as Crown subsidies become available. Health and affordability will remain the primary driving factors for this.

Current grading for schemes are:

| | |
|--------------------|----|
| Greymouth area | Ec |
| Runanga-Rapahoe. | Ed |
| Stillwater | Uu |
| Dobson-Taylorville | Eb |
| Blackball | Dd |

| Source & Treatment Plant Grading | Distribution System Grading | Risk Level | Means |
|----------------------------------|-----------------------------|------------|---|
| A1 | NA | Very Low | Completely satisfactory Demonstrably high quality. |
| A | (a) | Very Low | Completely satisfactory. |
| B | (b) | Low | Satisfactory. |
| C | (c) | Moderate | Marginal. |
| D | (d) | High | Unsatisfactory. |
| E | (e) | Very High | Completely unsatisfactory. |
| U | u | Ungraded | not required if less than 500 people |

Council has not included the upgrade costs of all water supplies to meet the new standards in this plan as it is concerned with regard to the local cost that will ultimately be borne by the ratepayer (Blackball is included after consultation with the community).

The following table gives an indication of the cost required to upgrade water supplies to be compliant with legislation, the cost to repay loans that would fund the upgrade cost, and the impact to the ratepayers of the respective communities.

Council finds it in the position of trying to balance what is best for the community and what the community can afford. It currently considers the above costs to be unaffordable, especially so in the current economic climate. Looking at these costs in isolation the costs seem relatively small, however it is in the context that these costs are on top of increases faced from year to year to maintain the current level of service. Council's current strategy is to pass on minimal costs increases to the ratepayer.

There is a risk that if the subsidies are not utilised under the current scheme no subsidies may be available in the future, which would mean the ratepayer will have to fund the entire cost. Council however is currently of the opinion that a higher level of subsidy should be available across the board and/or the funding criteria re-visited if the standards are to be implemented. Council is one of many smaller rural Council's that has this opinion.

There are also fines payable per the Health Act 1956 for failing to take all practicable steps to comply with drinking water standards. The reality is these fines (up to \$200,000 and/or up to \$10,000 per day) would cost the ratepayer in excess of the upgrade costs, and for no benefit. **Refer next page for updated information, allowing Council's more time to meet relevant water compliance.**

Given this financial risk the ideal situation would be to upgrade supplies to meet the new standards. Council will fully consult with affected communities once more information is available, and include the funding requirements in future annual plans if required.

Public feedback on whether or not the community wants to proceed based on estimated costs outlined below, or to pursue additional subsidies, taking into account the financial risks will determine Council's approach.

| Water Supply Scheme | Classification (in accordance with the Health Act 1956) | Date required to be compliant in accordance with legislation | estimated subsidy from Ministry of Health | Risk on subsidy not approved at estimated level | estimated cost | subsidy | local cost to be met by ratepayers* | annual loan servicing cost | annual increased maintenance and operational costs | estimated annual cost to ratepayer (incl GST) |
|---------------------|---|--|---|---|----------------|-----------|-------------------------------------|----------------------------|--|---|
| Stillwater | Small | 1 July 2012 | 65% | low | 105,645 | 68,669 | 36,976 | 3,108 | not known at this stage | \$ 78.60 |
| Dobson/Taylorville | Minor | 1 July 2011 | 90% | low | 332,111 | 298,900 | 33,211 | 2,791 | not known at this stage | \$ 10.50 |
| Runanga/Rapahoe | Minor | 1 July 2011 | 85% | low | 1,125,000 | 956,250 | 168,750 | 14,183 | not known at this stage | \$ 24.50 |
| Greymouth | Medium | 1 July 2010 | 50% | medium | 2,160,000 | 1,080,000 | 1,080,000 | 90,768 | 57,379 | \$ 44.90 |

* note that the forecast cost to be met by ratepayers (local cost) is based on the potential subsidies available per the current criteria. These subsidies **have not** been confirmed.

UPDATE: COUNCILS HAVE MORE TIME FOR WATER COMPLIANCE

As of 24 June 2009, the Government has announced a delay to requirements for communities to meet new drinking water legislation by three years.

The Minister of Health has stated that: *"The government will also be reviewing the cost, benefits and administrative burden of the legislation. We know local communities have been wanting such a review for some time."*

Compliance with sections of the Health (Drinking Water) Amendment Act 2007 is staggered depending on the size of the community. The first group, for communities bigger than 10,000 people, was due to have plans in place by 1 July this year, but now has until 1 July 2012. Smaller communities have up until 2016 to comply.

Wherever there is a significant risk to health such as contamination, the existing legal requirement remains for suppliers to take remedial action

[1] current

The water reticulation systems in built-up areas, generally speaking, are functioning adequately and residents are enjoying good quality water. The Runanga supply, in spite of strong taste attributes, is not always satisfactory from a health perspective, a situation no doubt exacerbated by the community's wish for the water not to be chlorinated.

The performance of the supplies measured against the new Drinking Water Standard requires attention, mainly in respect of filtration to improve turbidity and provide a barrier against protozoa.

[2] 2010-2012

Main focus areas will be:

- Lifelines (lifelines are critical services that will be needed during emergency events).
- Filtration improvements to all community water supplies depending on affordability.
- Moana scheme
- Connecting Dobson/Taylorville to the Greymouth scheme depending on filtration requirements and community consultation

[3] 2013-2019

The focus will remain on quality and reliability of supply and water supplies to smaller communities. Ahaura and Nelson Creek are showing interest in upgrading their respective water supplies (currently private schemes) and, the matter will be progressed in consultation with the communities involved.

[4.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |
| Outcome Five | SAFETY | A District that is a safe place to live |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | | |
|--|---|--|---|----------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 | |
| ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY There is sufficient water to meet the needs of communities and ecosystems HEALTH: A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY, AFFORDABLE COUNCIL SERVICES Water is supplied in a timely, sustainable, and affordable manner ECONOMY: DEVELOPING NEW OPPORTUNITIES FOR LOCAL INVESTMENT Provision of water supplies assists industrial and commercial growth. New water supplies or extension of existing supplies also creates opportunities for growth. SAFETY: PERSONAL AND PROPERTY SAFETY Provide water supplies that meet fire fighting standards | The systems are working effectively and efficiently | Supply is maintained for the following % of time | 😊😊 | 95% | 95% | 95% | 95% | |
| | | Maximum % of unaccounted for water for Greymouth supply | 😊😊 | 8% | 10% | 10% | 8% | |
| | | Maximum % of unaccounted for water for Runanga supply | 😊😊 | 11% | 15% | 15% | 13% | |
| | | Maximum % of unaccounted for water for Stillwater supply | 😞 | 7% | 5% | 5% | 5% | |
| | | Maximum % of unaccounted for water for Dobson/Taylorville supply | 😊😊 | 2% | 15% | 15% | 13% | |
| | | Maximum % of unaccounted for water for Blackball supply | 😞 | 8% | 5% | 5% | 5% | |
| | | Respond to and fix any issues within a reasonable timeframe | Response time for emergency work (pipe breakages, pump outages) | ? | not known | 3 hours | 3 hours | 3 hours |
| | | | Major pipe breaks / leaks fixed within | ? | not known | 1 working day | 1 working day | 1 working day |
| | | The community is satisfied with the water supply systems | number satisfied with water supply, per user survey† | ? | not known | 75% | 75% | 80% |
| | | | Maximum number of complaints received annually | 😞 | >5% | 5% | 5% | 4% |
| | | Systems are designed to respond to emergency events | Minimum storage capacity for Greymouth | 😊 | > 12 hours | 12 hours | 12 hours | 12 hours |
| | | | Minimum storage capacity for all other schemes | 😊 | > 24 hours | 24 hours | 24 hours | 24 hours |
| | | Deliver a works programme as signalled in this plan. | Set achievable budgets for the available resources, and complete what we plan each year. Requested budget carry-forwards to be no more than 5% of total operating expenditure | 😊😊 | 0% | 5% | 5% | 5% |
| | | We inform the public of any scheduled events that will effect the water supply service | Minimum notice period of any planned shutdowns | ? | not known | 24 hours | 24 hours | 24 hours |
| | | The Council water supplies are safe, reliable, and clean | Meet Drinking Water Standards in full by: - 30 June 2011 for Greymouth‡ - 30 June 2011 for Runanga‡ - 30 June 2011 Dobson‡ - 30 June 2010 for Blackball - 30 June 2012 for Stillwater‡ | 😞 | refer above table | 100% ⊗ ⊗ ⊗ ⊗ ⊗ | 100% ⊗ ⊗ ⊗ ⊗ ⊗ | 100% ⊗ ⊗ ⊗ ⊗ ⊗ |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

‡ refer above section on key issues facing the activity with regard to upgrading water supplies and subsidies available

[4.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$000 | note | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|---------------------------------|--------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: 1 | | | | | | | | | | | |
| - | Employee costs | - | - | - | - | - | - | - | - | - | - |
| (82) | Support costs | (78) | (84) | (90) | (96) | (100) | (102) | (106) | (110) | (113) | (117) |
| (777) | Operating & maintenance costs | (825) | (883) | (925) | (1,018) | (1,064) | (1,091) | (1,126) | (1,191) | (1,209) | (1,252) |
| (310) | Interest expense | (278) | (278) | (369) | (369) | (366) | (363) | (363) | (359) | (355) | (354) |
| (405) | Depreciation | (369) | (389) | (459) | (470) | (470) | (508) | (509) | (510) | (551) | (552) |
| (1,574) | | (1,550) | (1,634) | (1,843) | (1,953) | (2,000) | (2,064) | (2,104) | (2,170) | (2,228) | (2,275) |
| Capital items: | | | | | | | | | | | |
| (362) | Renewal works | (416) | (426) | (459) | (469) | (492) | (502) | (527) | (546) | (565) | (585) |
| (100) | New capital | (965) | (51) | (1,272) | (38) | - | - | (42) | - | - | (47) |
| (45) | Debt principal repayments | (59) | (26) | (40) | (43) | (46) | (49) | (53) | (57) | (61) | (66) |
| (6) | Funding of reserves † | (29) | (29) | (30) | (30) | (30) | (23) | (23) | (29) | (29) | (29) |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (513) | | (1,469) | (532) | (1,801) | (580) | (568) | (574) | (645) | (632) | (655) | (727) |
| (2,087) | Total funding required | (3,019) | (2,166) | (3,644) | (2,533) | (2,568) | (2,638) | (2,749) | (2,802) | (2,883) | (3,002) |
| Funded by: | | | | | | | | | | | |
| Rates 1 | | | | | | | | | | | |
| - | Rates - General | - | - | - | - | - | - | - | - | - | - |
| 1,582 | Rates - Targeted | 1,646 | 1,699 | 1,887 | 1,975 | 2,048 | 2,080 | 2,148 | 2,242 | 2,282 | 2,353 |
| Activity Income 1 | | | | | | | | | | | |
| - | User charges | - | - | - | - | - | - | - | - | - | - |
| - | Subsidies/donations | 767 | - | - | - | - | - | - | - | - | - |
| - | Other revenue | - | - | - | - | - | - | - | - | - | - |
| - | Internal recoveries | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 100 | new loans raised | 152 | 28 | 1,248 | 38 | - | - | 42 | - | - | 47 |
| - | funding from reserves † | 85 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| 362 | depreciation funded | 369 | 389 | 459 | 470 | 470 | 508 | 509 | 510 | 551 | 552 |
| (43) | Funding deficit ‡ | - | - | - | - | - | - | - | - | - | - |
| 43 | ‡ depreciation not funded | - | - | - | - | - | - | - | - | - | - |

† funding from reserves as indicated comes from the infrastructure renewal reserve which is annually funded by Council

(Note 1) Activity in come statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (1,574) | Total operating expenditure | (1,550) | (1,634) | (1,843) | (1,953) | (2,000) | (2,064) | (2,104) | (2,170) | (2,228) | (2,275) |
| 1,582 | Rates income | 1,646 | 1,699 | 1,887 | 1,975 | 2,048 | 2,080 | 2,148 | 2,242 | 2,282 | 2,353 |
| - | Other activity operating income | 767 | - | - | - | - | - | - | - | - | - |
| 8 | Net Surplus/(Deficit) | 863 | 65 | 44 | 22 | 48 | 16 | 44 | 72 | 54 | 78 |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|

Significant capital projects

| | | | | | | | | | | |
|---------------------------------|-----|----|-------|----|---|---|----|---|---|----|
| Moana Scheme | - | - | 1,239 | - | - | - | - | - | - | - |
| Blackball Filtration Plant | 810 | - | - | - | - | - | - | - | - | - |
| Miscellaneous enhancement works | 34 | - | - | 38 | - | - | 42 | - | - | 47 |
| Impl LifeLine Rcmdn Dobson | 37 | 28 | 9 | - | - | - | - | - | - | - |

[4.7] asset management

[1] groups of assets required by the group of activities.

| Scheme | replacement value as at 30 June 2008 \$000 | actual (carrying) value as at 30 June 2008 \$000 | annual depreciation \$000 | Number of Connections | Current Production (m3/day) | Current Production (m3/year) | Annual Production per connection (m3/year) | Annual Production per connection (litres/day) | Pipe Length (metres) |
|--------------------|--|--|---------------------------|-----------------------|-----------------------------|------------------------------|--|---|----------------------|
| Greymouth | 17,403 | 8,905 | 257 | 3,644 | 5,500 | 2,007,500 | 551 | 1,509 | 103,866 |
| Taylorville Dobson | 1,810 | 519 | 15 | 280 | 430 | 156,950 | 561 | 1,536 | 13,436 |
| Blackball | 1,201 | 865 | 21 | 191 | 128 | 44,895 | 245 | 670 | 8,816 |
| Runanga | 3,606 | 1,456 | 55 | 620 | 1,120 | 408,800 | 659 | 1,806 | 29,167 |
| Stillwater | 591 | 268 | 8 | 42 | 150 | 54,750 | 1,303 | 3,571 | 2,704 |
| Other | 141 | 132 | 3 | | | | | | |
| Total | 24,682 | 12,099 | 357 | 4,777 | 7,323 | 2,672,895 | 560 | 1,533 | 159,272 |

[2] how will council assess and manage implications of changes to demand or changes to service provision level?

Current water supplies are in good condition and modelling of supplies show that adequate capacity exists for expansion. This is particularly true of the Coal Creek intake which can be expanded to supply other areas, should this become an issue. It is expected that smaller communities may require water services as Crown subsidies become more accessible. This will not come unexpectedly as Council is pro-active in engaging with such communities.

[3] what additional asset capacity is required?

Capacity is not regarded to be a focal issue. The focus is more on the health of smaller communities and assisting them to move to reticulated schemes. In the meantime, the focus will remain on safety of users, also on private, on-site collection schemes.

[4] how will additional asset capacity be undertaken?

New supply and reservoir capacity needs in respect of new subdivisions currently in process, are provided for through appropriate consent and financial contribution agreements. As to existing main services, no supply issues are foreseen. Should reservoir capacity have to be created, this will be dealt with either in the context of individual developments or collectively for an area. Creating supplies for smaller communities will be undertaken in consultation with such communities and in line with best practice. Council is continually seeking for opportunities to maximise efficiency as a means of reducing costs.

[5] how will it be funded?

- Subsidies
- Borrowing, with repayment and servicing costs funded from targeted rates (benefiting communities only)
- Financial contributions – developers of new sections

Schemes for existing communities require central government subsidy to meet local affordability criteria. Currently Council utilises Central Government subsidies where available have been utilised, targeted rates on benefiting communities, and financial contributions from new development. New subdivisions will be funded by the developers via vesting and/or financial contributions.

[6] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewals are undertaken contractually under supervision of Council staff. Maintenance is undertaken on a preventative basis wherever possible, but also obviously on a reactive basis to issues that arise.

[7] how maintenance, renewal and replacement costs are met.

- Targeted rates (club scheme)
- Targeted rates – water meter charges

Maintenance, renewal and maintenance costs are met by all residents who have the availability to connect to a Council scheme. Council funds the estimated annual cost of maintaining the service provision of the existing assets, which may result in peaks and troughs in the annual level of expenditure if these needs vary from year to year. Those who have been identified as excess water consumers pay an additional volumetric charge.

[8] assumptions about useful life and sources of funding for replacement.

- The useful lives of assets have been estimated taking into consideration the type of material, age and local ground conditions, with reference made to NZ guidelines to provide a basis for comparison.
- The current asset condition is primarily based on age. Only limited field sampling has been undertaken to test the validity of these assumptions. The knowledge and experience of staff has been used to provide a check that the predicted lives are reasonable.
- It is assumed that subsidies will be able through the Drinking water Assistance Programme if it is decided to upgrade water supplies.

[4.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Failure of reservoirs may endanger properties nearby | xx | x | xx | x |
| Ineffective treatment may impact on user health | xx | x | x | xx |
| Main line breakages may result in service outages of reasonable duration | xx | xx | | xx |

These are mitigated through responsible management of the service, a focus on good service delivery and compliance with Resource Consent conditions. Monitoring of water to ensure potability is undertaken on a regular basis.

- x an impact
- xx more significant in impact

[5] solid waste management

KEY POINTS SIGNALLED IN THIS PLAN

- provide a facility at the McLeans site for collection of recyclable and re-usable materials.
- focusing on affordable measures to reduce the volume of waste deposited in the landfill
- introduction of kerbside recycling is **not** signalled in this plan
- development of a third cell at the McLeans site signalled in year 10

[5.1] activities that are included in this group of activities and rationale for grouping

- Refuse Collection and Disposal

An important cost activity and community focus dealt with on a stand-alone basis.

[5.2] aim

The Solid Waste activity goal is:

- Encourage producers, brand owners, importers, retailers, consumers and other parties to take responsibility for minimizing the amount of waste they produce.
- To through effective waste management practices, ensure the health of our community.
- To maintain the amenity values of our District through the efficient disposal of waste.
- To provide for convenience in waste disposal.
- To deliver the service in a way that avoids, remedies or mitigates adverse effects on the environment.

Council's objectives are:

- To ensure that refuse is efficiently collected and transported to be disposed at complying landfills which are managed effectively for environmental impact and longevity.
- To manage the service in line with expectations agreed between Council and the community.
- To be pro-active on maintenance and the renewal of existing facilities or the provision of new schemes.
- To undertake all physical works to a high standard, within budget, and within time.

- To as soon as feasible, implement a dedicated waste minimization regime and recycling service. To manage the collection and disposal of waste in the district in a responsible, affordable manner

[5.3] why we provide it

The primary reason for Council's involvement is the health and safety of our residents and the sustainable management of the environment. Local authorities have obligations under the recently enacted Waste Minimisation Act 2008, the Resource Management Act 1991, the Hazardous Substances and the New Organisms Act 1996 and the Health Act 1956 and other legislation to provide for the health and safety of our community.

Council, in securing its obligations as set out, has to ensure the provision of a full service including the collection of refuse, transport thereof (which incorporates a measure of compaction), and disposal in a fully consented refuse disposal site which, in terms of the relevant consent conditions, ensures sound environmental practices.

Another important issue provided for is the reinstatement of refuse sites. In terms of our Resource Consents, Council is responsible for the continuous environmental monitoring and for remedial action should environmental standards be transgressed at closed landfill sites

Attention is drawn to the Summary of the Solid Waste Activity Management Plan contained in volume 2.

[5.4] key issues facing the activities

Council expects that public pressure for waste minimisation practices will increase. Both the waste minimization levy (from 1 July 2009) and the Emissions Trading Scheme makes it in the District's best interest to reduce the volume of waste disposed at McLeans Landfill. Notwithstanding this, further population growth in the district will increase the volume of waste handled at McLeans Landfill. It is hoped that a net reduction can be achieved through minimisation initiatives.

Cobden residents will see the benefits from the gradual reinstatement of the Cobden landfill.

Council is pro-active in its approach and it is not expected that any "sudden" change in service level expectations will come up.

[1] current

Generally speaking, the service is well in hand and responsible management ensures minimum environmental risk. Cell 2 is fully in use and the charging regime based on weight seems to have bedded in well. Monitoring of Council's closed landfills continue to ensure that leachate does not go unchecked, as is monitoring as basis for final rehabilitation of such landfills.

The focus is moving to waste minimisation practices. Council is cautious in its approach, knowing that the practice in New Zealand has that this can be costly on ratepayers. Facilities to drop off recyclable material will be developed at the McLeans landfill site in 2009 (refer capital expenditure table below).

[2] 2010- 2012

Council will be embarking on a formal waste reduction programme and it is expected that the phased approach employed will be proved to be the correct one. The impact of the \$ 10.00 per tonne waste minimization levy payable to the Crown will strongly impact on the cost of the service. Preparations for the introduction of the Emissions Trading Scheme (ETS) will also continue.

The development of a drop off facility for recyclables in the Greymouth area has been signalled for 2010/2011, with the actual options to be developed further refined during 2009/2010 (refer capital expenditure table below).

The focus will be on:

- Refining practices aimed at extending the life of the landfill, with specific emphasis on waste minimization.
- Defining the impact of the Emissions Trading Scheme on the cost of the service
- Working with other West Coast Territorial Authorities in educating users on the need to reduce waste and optimising Crown subsidies in terms of the waste minimization scheme.
- Efficiency improvement.
- Continued monitoring and management of closed landfill effluent.
- Gradual reclamation of Cobden landfill

[3] 2013-2019

Council accepts that the number of new properties created, as well as socio-economic changes, will result in higher volumes of waste being generated, in spite of recycling initiatives in place. The successful implementation of a comprehensive waste minimization initiative for the District is therefore very important. The impact of the Emissions Trading Scheme will be fully evident and the waste minimization initiative will be further refined.

Given no widespread recycling initiatives have been signalled in this plan (e.g. kerb side recycling) the development of a third landfill cell at the McLeans site has been indicated for year 10 of this plan (refer capital expenditure table below).

Other specific issues of note are:

- The rehabilitation of Cobden landfill will continue on an incremental basis in line with available budgets.
- Monitoring of historic landfills will continue to manage the risk to the environment.
- Further refinement of Waste minimization initiatives and user education.

[5.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|-------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Six | IDENTITY | A "happening" district with a strong community spirit and distinctive lifestyle. |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| | better result than target |
| | achieved required target |
| | some targets achieved |
| | did not achieve target |
| ? | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|---|---------------------|----------------------|--------------------------------|----------------------------|----------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY Maintains and protects environmental values by providing a safe location to dispose of refuse. Promotes alternatives to disposal ECONOMY: PRO-ACTIVE LAND AND SERVICES PROVISION Provide the most economically efficient method of waste disposal IDENTITY: A COMMUNITY FOCUSED ON THE FUTURE BUT COMFORTABLE WITH THEIR PAST Provision of refuse collection and recycling services enhances the overall attractiveness of the District. | Provide facilities as an alternative to landfill disposal | A reduction in the tonnage of waste per capita deposited in McLean's Landfill | new | new | 5% less than 2008/2009 tonnage | 5% less than previous year | 2% less than previous year |
| | | reduce the annual allocation of collected bags incorporated in targeted rate | new | new | 104 | 52 | 52 |
| | Provide an efficient refuse collection service | Minimum number of collections per week | | 1 | 1 | 1 | 1 |
| | | maximum number of service requests received re spillage during collection and transport to McLean's Landfill, measured per 1000 of population | ? | not known | 1.5 | 1.5 | 1.0 |
| | The community is satisfied with the solid waste management service provided | number satisfied with service per user survey† | ? | not known | 75% | 80% | 80% |
| | | Maximum number service requests per 1000 population received | ? | not known | 4.0 | 3.5 | 3.0 |
| | Operate compliant facilities | Number of abatement notices | | nil | nil | nil | nil |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[5.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$'000 | note | Budget 2009/2010 \$'000 | Forecast Budget 2010/2011 \$'000 | Forecast Budget 2011/2012 \$'000 | Forecast Budget 2012/2013 \$'000 | Forecast Budget 2013/2014 \$'000 | Forecast Budget 2014/2015 \$'000 | Forecast Budget 2015/2016 \$'000 | Forecast Budget 2016/2017 \$'000 | Forecast Budget 2017/2018 \$'000 | Forecast Budget 2018/2019 \$'000 |
|---------------------------------|----------|---------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| (59) | | (60) | (62) | (66) | (68) | (71) | (73) | (75) | (78) | (80) | (83) |
| (882) | | (1,085) | (1,300) | (1,382) | (1,427) | (1,473) | (1,522) | (1,572) | (1,623) | (1,676) | (1,730) |
| (161) | | (118) | (111) | (104) | (96) | (88) | (79) | (69) | (59) | (48) | (375) |
| (149) | | (198) | (199) | (200) | (201) | (201) | (202) | (203) | (204) | (205) | (359) |
| (1,251) | 1 | (1,461) | (1,672) | (1,752) | (1,792) | (1,833) | (1,876) | (1,919) | (1,964) | (2,009) | (2,547) |
| Capital items: | | | | | | | | | | | |
| (9) | | (32) | (14) | (14) | (15) | (37) | (16) | (16) | (17) | (17) | (18) |
| (10) | | (277) | (196) | (37) | (38) | (39) | (40) | (42) | (43) | (44) | (4,574) |
| (70) | | (94) | (101) | (108) | (116) | (124) | (133) | (142) | (153) | (164) | (184) |
| (11) | | (11) | (12) | (12) | (13) | (13) | (14) | (14) | (164) | (235) | (15) |
| - | | - | - | - | - | - | - | - | - | - | - |
| (100) | | (414) | (323) | (171) | (182) | (213) | (203) | (214) | (377) | (460) | (4,791) |
| (1,351) | | (1,875) | (1,995) | (1,923) | (1,974) | (2,046) | (2,079) | (2,133) | (2,341) | (2,469) | (7,338) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 311 | 1 | 297 | 370 | 385 | 393 | 423 | 410 | 419 | 401 | 412 | 471 |
| 662 | | 757 | 848 | 901 | 931 | 962 | 994 | 1,026 | 1,137 | 1,209 | 1,285 |
| Activity Income | | | | | | | | | | | |
| 229 | 1 | 340 | 377 | 397 | 409 | 420 | 433 | 445 | 559 | 603 | 655 |
| - | | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| - | | - | - | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| - | | - | - | - | - | - | - | - | - | - | 4,528 |
| - | | 243 | 161 | - | - | - | - | - | - | - | - |
| - | | - | - | - | - | - | - | - | - | - | - |
| 9 | | 198 | 199 | 171 | 182 | 201 | 202 | 203 | 204 | 205 | 359 |
| (140) | | Funding deficit ‡ | - | (29) | (19) | - | - | - | - | - | - |
| 140 | | ‡ depreciation not funded | - | 29 | 19 | - | - | - | - | - | - |

‡ reserve funds to be utilised are specific funds set aside for capital projects relating to solid waste management and land sale reserves.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (1,251) | Total operating expenditure | (1,461) | (1,672) | (1,752) | (1,792) | (1,833) | (1,876) | (1,919) | (1,964) | (2,009) | (2,547) |
| 973 | Rates income | 1,054 | 1,218 | 1,286 | 1,324 | 1,385 | 1,404 | 1,445 | 1,538 | 1,621 | 1,756 |
| 229 | Other activity operating income | 380 | 417 | 437 | 449 | 460 | 473 | 485 | 599 | 643 | 695 |
| (49) | Net Surplus/(Deficit) | (27) | (37) | (29) | (19) | 12 | 1 | 11 | 173 | 255 | (96) |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |

Significant capital projects

| | | | | | | | | | | |
|--------------------------------------|-----|-----|---|---|---|---|---|---|---|-------|
| Recycling facilities at Mcleans site | 243 | - | - | - | - | - | - | - | - | - |
| Recycling station Greymouth | - | 161 | - | - | - | - | - | - | - | - |
| McLeans Landfill Cell 3 Construction | - | - | - | - | - | - | - | - | - | 4,528 |

[5.7] asset management

[1] groups of assets required by the group of activities.

Total asset value of approximately \$1.5 million dollars the majority of which is related to the McLeans landfill site.

[i] landfill

Council currently manages one landfill, namely the McLeans Landfill (located between Greymouth and Runanga areas) as a fully consented long-term refuse tip. The first cell at McLeans Landfill is full and the second cell was constructed for use from the 2005/06 financial year.

[ii] resource centres

Resource Centres which accept clean fill operate at Blackball, Moana, and Nelson Creek. Refuse that cannot be reused, recycled at the resource centers is transported to McLeans landfill.

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

McLeans Landfill and the current cell used will provide in the needs of the District until approximately 2019. This is based on a modelling of existing capacity plus growth. The calculations are conservative and it is expected that the stated life expectancy can be further extended through waste minimisation.

Council is committed to a practical waste reduction strategy and is managing this pro-actively by consulting the community on its staged approach.

The Monitoring results at closed landfills show that groundwater contamination is not an issue and it is not expected to change. Reclamation of closed landfills other than Cobden is also not expected to become an issue.

[3] what additional asset capacity is required?

- waste minimisation facilities (recycle/re-use). The focus will be on creating waste diversion initiatives.
- new cell at Mcleans landfill (year 10 of this plan)

[4] how will additional asset capacity be undertaken?

By further development of existing landfill site and setting up recycling stations in the district.

[5] additional capacity created.

Attention is drawn to the significant capital expenditure above. Year one includes setting up resource recovery facilities at McLeans, giving the public the opportunity to drop off re-usable and/or recyclable material.

[6] how will it be funded?

- Borrowing, with repayment and servicing costs met from:
 - Targeted rates
 - General rates
 - User fees

Subsidies will be used where available for waste minimisation new facilities created and other measures to be undertaken. Each new landfill cell is loan funded with the community repaying the loan over the life of the cell, i.e. the current community is meeting the cost of cell 2.

[7] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewals are undertaken contractually under supervision of Council staff.

[8] how maintenance, renewal and replacement costs are met.

Maintenance and renewals are funded from targeted rates, general rates and user charges.

[5.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|---|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Potential of litter | xx | x | xx | x |
| Windblown litter at the landfill site. | x | x | xx | x |
| Potential groundwater contamination at landfill(s) | x | x | xx | xx |
| Potential health risk exposure to staff handling waste | x | x | | |
| Closed but unmediated landfills may detract from their environments | xx | x | xx | x |

These are mitigated through responsible management of the Activity, best industry practices, regular monitoring and compliance with Resource Consents.

x an impact

xx more significant in impact

[6] emergency management

KEY POINTS SIGNALLED IN THIS PLAN

- ongoing pro-active planning to reduce risks
- prepare for appropriate responses to emergency events

[6.1] activities that are included in this group of activities and rationale for grouping

- Rural Fire Authority
- Civil Defence and Emergency Management

The activities have similar goals and responsibilities; to actively manage risk of events, respond to events, and recover from events.

[6.2] aim

As part of its emergency service coverage to:

- Achieve the primary purpose of the Forest and Rural Fires Act being: "safeguarding of life and property by the prevention, detection, control, restriction, suppression and extinction of fire in forest and rural areas and other areas of vegetation".
- Develop and maintain a full response capability in the event of natural or man made disasters occurring so as to mitigate or eliminate the effects of disasters on people and property and to return the community back to normal as soon as is practicable.

[6.3] why we provide it

Council is mandated by the Civil Defence and Emergency Management Act 2002 to take a lead role in planning for natural and man made disasters that effect its district. This involves identifying potential hazards and risks within the district, ensuring that public awareness and appreciation of the hazards and risks is high, reducing risks where able and having the ability to deal with a wide range of hazards (natural, technological, biological) that potentially negatively effect the district and its residents. The Act now places even greater responsibility on local government (both fiscal and resource wise) to take a leading role in emergency management planning and response initiatives and these are outlined in some detail in this Activity Management Plan.

Council is one of four agencies involved in the West Coast Rural Fire Authority (WCRFA), delivering a rural fire service in the West Coast region. The WCRFA covers especially vegetation fires in rural areas and provide support to volunteer fire services under control of a Rural Fire Officer. Council also undertakes other support services to volunteer fire services in the District. It is a Council Controlled Organisation for the purposes of the Local Government Act, 2002 and attention is drawn to the specific disclosure contained later in this plan (refer section d:[9] council controlled organisations, page 177).

[6.4] key issues facing the group of activities

The Council, in consultation with and in cooperation with the other service delivery authorities will endeavour to maintain and improve levels of service. The outcome of efforts to integrate the Rural Fire Service with Civil Defence and Emergency Management will impact on this and, if successful, is expected to result in greater efficiency.

[1] current

Rural Fire Services are well in hand. Volunteer fire crews are in place and quality of performance remains high.

Civil Defence and Emergency Management locally is in a rebuilding phase with the appointment of a part time Civil Defence Coordinator. Regionally the system is still bedding in.

[2] 2010-2012

The focus will be to integrate the Rural Fire Service on a regional basis with Civil Defence and Emergency Management. Any such decision will involve full public consultation.

Council will enhance its profile relating to emergency management and will provide a greater awareness of its role to the community. This will involve being more active and being seen in the community through visits and meetings with schools, various community organisations and other interested parties, and by encouraging people and organisations to be prepared and to take greater responsibility for themselves in emergencies.

[3] 2013-2019

It is expected that the demand for services will increase and the refinement of services will continue.

[6.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|--------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Five | SAFETY | A District that is a safe place to live |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

[i] civil defence management

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| SAFETY: PERSONAL AND PROPERTY SAFETY Essential for minimising any potential impact on personal and property safety ECONOMY - PRO-ACTIVE SERVICES PROVISION Adequate planning to provide for the minimum economic disruption resulting from emergency events | Administering emergency management pro-actively and efficiently | Number of meetings annually between CDEM Officer and Alternate Controllers to discuss current issues and areas for improvement (reduces after year 1 as EMO becomes better prepared) | 😞 | 0 | 11 | 5 | 4 |
| | | percentage of available and trained personnel required for all aspects of the emergency plan | new | new | 90% | 100% | 100% |
| | | percentage of pre-schools and schools in the district visited bi-annually to keep them up-to-date with appropriate emergency event responses | 😞 | 0 | 100% | 100% | 100% |
| | | number of surveyed† residents who feel prepared for an emergency | ? | not known | 60% | 75% | 80% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[ii] rural fire authority

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|--|---------------------|-----------------------------|------------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| SAFETY: PERSONAL AND PROPERTY SAFETY Rural fire protection services promote personal and property safety ENVIRONMENT: ENVIRONMENTAL SUSTAINABILITY Maintains and protects environmental values | Pro-active identification, assessment, prioritization and costing of district needs | Preparation and submission of draft annual works programme on time in consultation with the West Coast Rural Fire District Committee | new | new | 100% | 100% | 100% |
| | | Attendance of West Coast Rural Fire District Committee meetings by Council representative | new | new | 75% | 75% | 75% |
| | | Minimum number of meetings per year. | new | new | 5 | 5 | 5 |
| | Prepared response unit | Time from receipt of call to mobilization | 😊 | < 20 minutes | 20 minutes | 20 minutes | 20 minutes |
| | | Time from mobilization to arrival at fire scene for first fire suppression response. | 😞 | 67% greater than 60 minutes | 60 minutes | 60 minutes | 60 minutes |

[6.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$000 | note | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|---------------------------------|--------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: 1 | | | | | | | | | | | |
| (35) | Employee costs | (38) | (39) | (42) | (43) | (45) | (46) | (48) | (49) | (50) | (52) |
| (49) | Support costs | (54) | (56) | (59) | (62) | (64) | (66) | (68) | (70) | (72) | (75) |
| (64) | Operating & maintenance costs | (71) | (74) | (84) | (81) | (82) | (85) | (90) | (91) | (94) | (96) |
| - | Interest expense | - | - | - | - | - | - | - | - | - | - |
| (3) | Depreciation | (5) | (6) | (8) | (13) | (21) | (27) | (29) | (32) | (33) | (35) |
| (151) | | (168) | (175) | (193) | (199) | (212) | (224) | (235) | (242) | (249) | (258) |
| Capital items: | | | | | | | | | | | |
| - | Renewal works | - | (6) | - | - | - | - | - | (8) | - | - |
| (2) | New capital | (7) | (2) | (25) | (22) | (51) | (2) | (25) | (2) | (10) | (3) |
| - | Debt principal repayments | - | - | (4) | (7) | (13) | (13) | (17) | (17) | (17) | (17) |
| (2) | Funding of reserves | (2) | (2) | (2) | (2) | (3) | (3) | (3) | (2) | (2) | (2) |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (4) | | (9) | (10) | (31) | (31) | (67) | (18) | (45) | (29) | (29) | (22) |
| (155) | Total funding required | (177) | (185) | (224) | (230) | (279) | (242) | (280) | (271) | (278) | (280) |
| Funded by: | | | | | | | | | | | |
| Rates 1 | | | | | | | | | | | |
| 147 | Rates - General | 167 | 174 | 187 | 191 | 203 | 209 | 223 | 232 | 238 | 238 |
| - | Rates - Targeted | - | - | - | - | - | - | - | - | - | - |
| Activity Income 1 | | | | | | | | | | | |
| - | User charges | - | - | - | - | - | - | - | - | - | - |
| 5 | Subsidies/donations | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |
| - | Other revenue | - | - | - | - | - | - | - | - | - | - |
| - | Internal recoveries | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| - | new loans raised | - | - | 23 | 20 | 35 | - | 22 | - | - | - |
| - | funding from reserves | - | - | - | - | 14 | - | - | - | - | - |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| - | depreciation funded | 5 | 6 | 8 | 13 | 21 | 18 | 29 | 29 | 29 | 22 |
| (3) | Funding deficit ‡ | - | - | - | - | - | (9) | - | (3) | (4) | (13) |
| 3 | ‡ depreciation not funded | - | - | - | - | - | 9 | - | 3 | 4 | 13 |

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (151) | Total operating expenditure | (168) | (175) | (193) | (199) | (212) | (224) | (235) | (242) | (249) | (258) |
| 147 | Rates income | 167 | 174 | 187 | 191 | 203 | 209 | 223 | 232 | 238 | 238 |
| 5 | Other activity operating income | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |
| 1 | Net Surplus/(Deficit) | 4 | 4 | - | (2) | (3) | (9) | (6) | (3) | (4) | (13) |

[2] significant capital expenditure

None

These are mitigated through training, planning and responsible operational procedures.

- ✘ an impact
- ✘✘ more significant in impact

[6.7] asset management

There are a small number of operational assets required to deliver these services, such as a response vehicle for rural fire, personal protection and safety equipment, and communication devices. The maintenance and renewal of the required assets is included in this plan.

[6.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Possible limitations on personal freedom when services are under way | ✘ | | | ✘ |
| Services cannot avoid lasting damage and loss | ✘✘ | ✘✘ | ✘✘ | ✘ |
| Possible damage to property when services deployed | ✘ | ✘ | ✘ | |
| Volunteer staff withdrawn from workplaces when deployed | ✘ | ✘ | | |

[7] environmental services

KEY POINTS SIGNALLED IN THIS PLAN

- review of the District Plan
- stage 2 of required accreditation under the Building Act.
- positively addressing public perceptions of service delivery

[7.1] activities that are included in this group of activities and rationale for grouping

- Environmental Planning
- Amenity Management
- Health Regulation
- Building Control
- Dog and Stock Control
- Official information (LIMS)

Local Government legislation makes it compulsory, wherever possible, to maintain a clear division between the operational and regulatory functions of Council. Local authorities, as facilitators of development and growth, also have to comply with associated statutory provisions and must avoid conflicts of interest. This forms the basis for this grouping of activities.

[7.2] aim

To, through positive strategic and environmental planning and positive regulatory enforcement practices, ensure harmony between development activities and the physical and natural environment thereby creating sustainability and securing the rights of all.

Council's focus areas are:

- **Environmental Planning:** Council administers both the Resource Management Act, 1991 and the Grey District Plan with a view to managing and mitigating the effects of activities undertaken in the District on the physical and natural environment. Furthermore, Council undertakes planning for specific issues and areas to ensure harmony with other activities and minimum environmental impacts. Current projects include the Wider Moana Development Plan and a review of options for expanding the Greymouth central business district. Council is also involved in joint development planning for the Punakaiki area.

- **Amenity Management:** Council has a specific focus on improving the general appearance of the District, notably built-up areas and the entrances to Greymouth, and is committed to achieving this by positive enforcement of environmental and aesthetic controls.
- **Health Regulation:** Council administers the Health Act, the Hazardous Substances and New Organisms Act and a range of other legislation and regulations. It protects our community through investigating infectious and notifiable diseases, promoting the adoption of food safety programmes and investigating and managing environmental nuisances, including noise. It also provides a District licensing agency service for liquor, gaming machines, food premises, camping grounds, hairdressing businesses, funeral parlours and amusement devices. Council is also involved in the management and control of sex premises and of hazardous substances in some locations.
- **Building Control:** Council enforces the Building Act, 2004, providing an information, consents, inspection and enforcement service for buildings and swimming pool fencing to ensure that all buildings in the District are safe, sanitary, fit for purpose and constructed in accordance with the Building Code. A particular focus is gaining accreditation as a Building Control Authority and developing the associated systems and processes.
- **Dog and Stock Control:** Council controls animals in the District through dog registration, ranging and enforcement, provision of dog and stock pounds and investigation of nuisances caused by wandering animals. Incorporated in this function is management and impoundment of abandoned vehicles.

[7.3] why we provide it

The services as outlined all have a statutory or a Council policy enforcement basis.

The focus of this Group of Activities is to ensure sustainability, harmonious and quality development and protection of rights through:

- an enabling District Plan and associated Resource Management Act processes ,
- responsible application of the Building Act, 2004 and associated processes and policies
- health and amenity promotion, and
- the sympathetic execution of Council's Regulatory functions.

Council, per the Local Government Act, 2002 maintains a clear division between the regulatory and other operational aspects of the Council service delivery.

[7.4] key issues facing the activities

It is expected that service levels will be maintained at current levels with higher service levels developing in respect of public amenity and dog and stock control. General public understanding of the legal and administrative requirements involved and changed practices and requirements will help mitigate perceptions re the standard of the services. Work backlogs and process bottlenecks related to workload will be dealt with progressively, with Council committing to keeping to statutory deadlines.

[1] current

A high level of dedication and personal commitment on the part of staff ensures that the Department involved is coping with workload, with work backlogs a continual challenge. The historical backlog in Resource Consent and Building Consent enforcement remains significant and is not expected to be cleared within the planning period, unless more compliance staff are engaged. More staff are not planned.

The numbers of new applications have stabilised and a situation of manageable "normality" is developing. Accreditation as a Building Consent Authority has been a major achievement

For some time Council had trouble recruiting qualified, competent staff and this situation is unchanged. The appointment of a Manager for the Department is a primary focus.

The regulatory nature of the functions involved amidst often unpopular legislative requirements, has earned the department a negative reputation which Council is continually addressing.

[2] 2010-2012

The downturn in the global and national economies is expected to result in a slight reduction in the number of consents, permits and other such documents which will avoid the need for the appointment of further staff. External consent processing will be limited. The problem of littering and abandonment of cars is, however on the increase and may result in the need to manage better. Equally, the incidence of wandering stock and roaming dogs is also on the increase. The challenge will be to retain staff in positions amidst national competition for such staff.

A specific focus area will be the Second and further Phases in the Building Act accreditation process per the Building Act 2004. The focus on changing the public perception of the Department will continue.

[3] 2013-2019

It is expected that positive economic growth will impact on this group of activities but that the situation will remain largely manageable. The attention will shift to more pro-active environmental planning and policy development and a review of the District Plan.

[7.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| | better result than target |
| | achieved required target |
| | some targets achieved |
| | did not achieve target |
| | unknown/not measured |

[i] planning

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|---|---------------------|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENTAL SUSTAINABILITY Good planning and aesthetic standards contribute to an attractive living/working environment. A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY COUNCIL SERVICES Planning and the District Plan contribute to a healthy, safe environment. ECONOMY: DIVERSITY TO ENSURE A SUSTAINABLE ECONOMIC FUTURE ECONOMY: DEVELOPING NEW OPPORTUNITIES FOR LOCAL INVESTMENT It adds to the attraction for local investment. | District Planning is strongly focused on balance as a means of securing environmental sustainability | Landowner agreements signed for confirmed SNA's (Significant Natural Areas over the Resource Management Act). | ☹ | 30% | 80% | All | All |
| | | Annually monitoring a number of consents for compliance with conditions (% of total consents) | ☺ | 2% | 2% | 2% | 2% |
| | | % of monitored consents complying with conditions | ☹ | 70% | 85% | 90% | 95% |
| | Continual District Plan and Policy review maintains the enabling nature of the Plan. | Reviewing and updating the District Plan through Council initiated Plan changes | new | new | in accordance with agreed timetable | in accordance with agreed timetable | in accordance with agreed timetable |
| | | Responding to privately initiated changes in the district plan | ☺ | 100% | within statutory requirements | within statutory requirements | within statutory requirements |
| | Provide an efficient service | District Plan Monitoring initiatives (i.e. number of monitoring projects undertaken) | ☹ | 0 | 1 | 2 | 2 |
| | | Resource consents issued within statutory timeframe | ☹ | 74% | 90% | 100% | 100% |
| | number of surveyed† residents who are satisfied with departmental performance in the district | ? | not known | 60% | 60% | 60% | |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[ii] amenity management

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENT: A NEAT AND TIDY DISTRICT Good regulation and appropriate enforcement contribute to an attractive living/working environment COMMUNITY PHYSICAL AND MENTAL HEALTH There is a safe environment for all | Amenity Management is aimed at enhancing the living environment. | Actioning of service requests for cleanup of litter and untidy properties | ? | not known | 90% | 100% | 100% |
| | | Number of properties tidied up through positive communication and encouragement (% of identified properties) | ? | not known | 50% | 75% | 95% |
| | | Number of properties tidied up through enforcement | ☺ | 10 | 5 | 4 | 3 |
| | | number of surveyed† residents who feel the district is an attractive place to live | ? | not known | 90% | 90% | 90% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[iii] health regulation

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|--|---------------------|----------------------|--------|--------------------|--------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| COMMUNITY PHYSICAL AND MENTAL HEALTH There is a safe environment for all | Administering environmental health laws and regulations so that hazards to people are identified, managed, and minimised | Number of licensed premises inspected annually | 😊 | 100% | 100% | 100% | 100% |
| | | Food Outlets w with minimum B grade | 😊 | 98% | 98% | 100% | 100% |
| | | Reviewing the Gambling Venue Policy | 😊 | done | review | as required by law | as required by law |
| | | Success in mitigating noise complaints | 😊 | 75% | 75% | 80% | 90% |
| | | Completion of service requests to enforce Acts and Bylaws within 10 days | ? | ? | 100% | 100% | 100% |

[iv] building control

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENTAL SUSTAINABILITY Good building control standards contribute to an attractive living/working environment. A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY COUNCIL SERVICES The activity contributes to a healthy, safe environment. ECONOMY: DEVELOPING NEW OPPORTUNITIES FOR LOCAL INVESTMENT It adds to the attraction for local investment. | Administer the Building Act 2004 as efficiently as possible, ensuring other safety regulations are complied with | process % of building consents w within statutory timeframes | 😞 | 86% | 100% | 100% | 100% |
| | | audit a minimum number of properties per annum for Building Warrant of Fitness compliance so as to achieve 100% coverage every 5 years | new | new | 20% | 20% | 20% |
| | | number of surveyed† residents w ho are satisfied w ith building control in the district | ? | not know n | 90% | 90% | 90% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[v] dog and stock control

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| PERSONAL AND PROPERTY SAFETY Effective animal control protects the general public | Protect the public from dog and stock related nuisances | Percentage of Dogs registered by due date (date before penalty is incurred) | new | new | 85% | 90% | 95% |
| | | number of surveyed† residents w ho are satisfied w ith dog control in the district | ? | not know n | 90% | 90% | 90% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[vi] supply of official information (lims)

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|---|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ECONOMY: PRO-ACTIVE SERVICES PROVISION Providing quality information as efficiently as possible is important for sustaining economic growth | Provide an efficient property information service | issue 100% of Land Information Memorandum (LIMs) within statutory timeframe of 10 days | ☹ | 48% | 100% | 100% | 100% |
| | | issue 100% of Project Information Memorandum (PIMs) within statutory timeframe of 20 days | new | new | 100% | 100% | 100% |

[7.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$'000 | note | Budget 2009/2010 \$'000 | Forecast Budget 2010/2011 \$'000 | Forecast Budget 2011/2012 \$'000 | Forecast Budget 2012/2013 \$'000 | Forecast Budget 2013/2014 \$'000 | Forecast Budget 2014/2015 \$'000 | Forecast Budget 2015/2016 \$'000 | Forecast Budget 2016/2017 \$'000 | Forecast Budget 2017/2018 \$'000 | Forecast Budget 2018/2019 \$'000 |
|---------------------------------|----------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| (1,648) | | (1,664) | (1,736) | (1,854) | (1,933) | (1,999) | (2,057) | (2,126) | (2,188) | (2,274) | (2,339) |
| (497) | | (458) | (453) | (498) | (513) | (530) | (528) | (536) | (551) | (566) | (583) |
| - | | - | - | - | - | - | - | - | - | - | - |
| (39) | | (47) | (48) | (50) | (51) | (53) | (55) | (56) | (58) | (60) | (62) |
| (2,184) | 1 | (2,169) | (2,237) | (2,402) | (2,497) | (2,582) | (2,640) | (2,718) | (2,797) | (2,900) | (2,984) |
| Capital items: | | | | | | | | | | | |
| - | | - | - | - | - | (36) | - | - | - | - | - |
| (110) | | (7) | (7) | (140) | (38) | (8) | (8) | (141) | (39) | (9) | (9) |
| - | | - | - | - | - | - | - | - | - | - | - |
| (33) | | (145) | (145) | (145) | (145) | (145) | (145) | (145) | (145) | (145) | (145) |
| - | | - | - | - | - | - | - | - | - | - | - |
| (143) | | (152) | (152) | (285) | (183) | (189) | (153) | (286) | (184) | (154) | (154) |
| (2,327) | | (2,321) | (2,389) | (2,687) | (2,680) | (2,771) | (2,793) | (3,004) | (2,981) | (3,054) | (3,138) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 795 | 1 | 811 | 831 | 904 | 949 | 986 | 983 | 1,006 | 1,026 | 1,070 | 1,092 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| 1,328 | 1 | 1,294 | 1,337 | 1,417 | 1,460 | 1,506 | 1,553 | 1,601 | 1,652 | 1,702 | 1,755 |
| - | | - | - | - | - | - | - | - | - | - | - |
| - | | 104 | 107 | 114 | 118 | 122 | 126 | 130 | 134 | 139 | 143 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| - | | - | - | - | - | - | - | - | - | - | - |
| 165 | | 65 | 66 | 202 | 102 | 104 | 76 | 211 | 111 | 83 | 86 |
| - | | - | - | - | - | - | - | - | - | - | - |
| - | | 47 | 48 | 50 | 51 | 53 | 55 | 56 | 58 | 60 | 62 |
| (39) | | - | - | - | - | - | - | - | - | - | - |
| 39 | | - | - | - | - | - | - | - | - | - | - |

† Financial contributions (reserve contributions) levied are transferred to reserves and utilised for expenditure on Council parks and reserves. Specific reserve funds are used to fund replacement of equipment, such as vehicles.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (2,184) | Total operating expenditure | (2,169) | (2,237) | (2,402) | (2,497) | (2,582) | (2,640) | (2,718) | (2,797) | (2,900) | (2,984) |
| 795 | Rates income | 811 | 831 | 904 | 949 | 986 | 983 | 1,006 | 1,026 | 1,070 | 1,092 |
| 1,328 | Other activity operating income | 1,398 | 1,444 | 1,531 | 1,578 | 1,628 | 1,679 | 1,731 | 1,786 | 1,841 | 1,898 |
| (61) | Net Surplus/(Deficit) | 40 | 38 | 33 | 30 | 32 | 22 | 19 | 15 | 11 | 6 |

[2] significant capital expenditure

None

These are mitigated through education, assistance and sensitive management and enforcement practices.

✘ an impact

✘✘ more significant in impact

[7.7] asset management

There are a small number of operational assets that are required to deliver the functions outlined in this section. The costs of maintain, renewing and replacing these assets are recovered from the relevant activities. This is funded from user fees and rates.

[7.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Difficult, process based legislation and processes involved | ✘✘ | ✘✘ | | ✘ |
| Regulation requires firm action from time to time | ✘ | ✘ | | |
| Exacerbator pay cost recovery makes process and compliance cost higher | ✘ | ✘✘ | | |
| Inability to recover all cost from benefitting parties | ✘ | ✘ | | |

[8] other transport

KEY POINTS SIGNALLED IN THIS PLAN

- Maintaining existing levels of service for public parking
- Limited development of aerodrome to match current use. Will be reviewed if circumstances change.
- Limited maintenance in Port of Greymouth and no capital investment based on current usage.
- Maintain fair economic returns for Council's investment in associated property

[8.1] activities that are included in this group of activities and rationale for grouping

- Greymouth Aerodrome.
- Parking
- Port of Greymouth

These activities are less significant yet represent important transport infrastructure.

[8.2] aim

To:

- manage Council's aerodrome efficiently and responsibly with a special focus on it providing passenger services to larger centres in New Zealand.
- manage Port of Greymouth efficiently and responsibly, primarily as a fishing port but whilst seeking to develop cargo and marine support services.
- manage and increase Council's parking portfolio efficiently

In order to:

- secure optimum safety and convenience of users, commercial and economic benefits for the District
- maintain Lifeline (facilities required to respond to emergency events) and other strategic functions

- meet users' and public expectations
- meet legal/statutory responsibilities.
- be accountable.

[8.3] why we provide it

- The Aerodrome fulfils an important support function to Grey Base Hospital, especially in relation to the air transport of patients and visiting Doctors. It also fulfils an important Lifelines function and has the potential to provide air passenger services to larger centres.
- Parking is an important aspect making the CBD successful. It also provides for safety and convenience of users.
- Port of Greymouth is an important regional fishing port. It also has the potential to become a cargo port, subject to investment in facilities.

[8.4] key issues facing the activities

[1] current

Both the Aerodrome and Port of Greymouth are operating at a loss and well below capacity. Operational measures to minimize the financial loss are in place. Application for Crown assistance to upgrade the cargo port has been made and the outcome is awaited.

There is an ongoing shortage of parking and Council has embarked on a Parking Review as basis for a structured approach to the problem.

On going Council policy of encouraging occupied endowment properties to be freeholded and sale of other vacant endowment land.

[2] 2010-2012

The parking situation will be dealt with in line with the Parking Review outcomes.

Initiatives to provide for air passenger services from the Aerodrome will continue and management will be aimed at reducing cost as much as possible without compromising safety.

It is expected that Port of Greymouth will be managed in-house as a fishing port only, in consultation with the Fishing Industry. Secondary efforts to redevelop the cargo port will continue. Budgetary shortfalls will continue to be significant and

will be paid from land sale income. Pressure for the appointment of a Harbourmaster may increase.

On going Council policy of encouraging occupied endowment properties to be freeholded and sale of other vacant endowment land.

[3] 2013-2019

The provision of parking will continue to be managed pro-actively based on the Parking Review outcomes.

The Port is expected to continue to run at a significant loss and Port endowment land sales will be used to fund the shortfalls. Alternative funding strategies will have to be developed in consultation with the community. The absence of a Harbourmaster may affect efficiency and safety.

The financial and funding disposition of the Aerodrome will continue with the unavoidable reseal of the runway adding to it.

On going Council policy of encouraging occupied endowment properties to be freeholded and sale of other vacant endowment land

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

[8.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|---------|---|
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |
| Outcome Five | SAFETY | A District that is a safe place to live |

[i] aerodrome

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| HEALTH: AFFORDABLE ACCESS TO QUALITY MEDICAL SERVICES AND FACILITIES Contributes through the provision of air ambulance and air rescue services. SAFETY: PERSONAL AND PROPERTY SAFETY An essential part of Council's lifelines response to emergency events ECONOMY: PRO-ACTIVE SERVICES PROVISION provides a facility appropriate to the actual use | Run an efficient service, maximising potential use | % recovery of fees for aircraft using the airport facility | | 15 - 20% | 30% | 60% | 90% |
| | | Maximum number of complaints received annually | | 0 | 10 | 7 | 5 |
| | | number satisfied with the service | ? | not known | 65% | 70% | 75% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[ii] port of greymouth

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ECONOMY: PRO-ACTIVE SERVICES PROVISION provides a facility appropriate to the actual use | Run an efficient service, maximising potential use | Redevelopment of fishing wharf | new | new | 50% | 100% | Done |
| | | Required area of lagoon dredged to appropriate standard | | 0% | 50% | 100% | 100% |
| | | number of primary users satisfied with the service | ? | not known | 80% | 85% | 90% |
| | Managing port property and endowment land in a manner that retains the value in investment for current and future generations | Percentage of renewed leases processed without objection | | 100% | 100% | 100% | 100% |

[iii] parking

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|---|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ECONOMY: PRO-ACTIVE SERVICES PROVISION a vital service for the business district PERSONAL AND PROPERTY SAFETY appropriate parking facilities for the areas concerned | Maximise use of public car parking | Active management of available parking within the CBD through 90% coverage of the CBD weekly | | >90% | 90% | 90% | 90% |
| | The community is satisfied with public car parking | Complaints about the service (excluding infringement appeals) number satisfied, per user survey† | | 0 | 15 | 10 | 5 |
| | | | ? | not known | 60% | 65% | 70% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[8.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$'000 | note | Budget 2009/2010 \$'000 | Forecast Budget 2010/2011 \$'000 | Forecast Budget 2011/2012 \$'000 | Forecast Budget 2012/2013 \$'000 | Forecast Budget 2013/2014 \$'000 | Forecast Budget 2014/2015 \$'000 | Forecast Budget 2015/2016 \$'000 | Forecast Budget 2016/2017 \$'000 | Forecast Budget 2017/2018 \$'000 | Forecast Budget 2018/2019 \$'000 |
|---------------------------------|----------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| (33) | 1 | (34) | (35) | (36) | (38) | (39) | (40) | (42) | (43) | (44) | (45) |
| (130) | | (184) | (192) | (205) | (214) | (221) | (228) | (235) | (242) | (250) | (258) |
| (97) | | (606) | (594) | (606) | (614) | (615) | (620) | (631) | (655) | (653) | (660) |
| (2) | | (60) | (60) | (60) | (59) | (59) | (59) | (59) | (59) | (59) | (59) |
| (316) | | (394) | (395) | (401) | (404) | (406) | (411) | (411) | (411) | (417) | (417) |
| (578) | 1 | (1,278) | (1,276) | (1,308) | (1,329) | (1,340) | (1,358) | (1,378) | (1,410) | (1,423) | (1,439) |
| Capital items: | | | | | | | | | | | |
| (10) | | (84) | (6) | (15) | (311) | (7) | (7) | (34) | (7) | (7) | (23) |
| (180) | | (105) | (30) | (30) | (30) | (30) | (30) | (30) | (30) | (30) | (30) |
| - | | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| (262) | | (247) | (232) | (228) | (216) | (205) | (197) | (186) | (411) | (388) | (398) |
| - | | - | - | - | - | - | - | - | - | - | - |
| (452) | | (437) | (269) | (274) | (558) | (243) | (235) | (251) | (449) | (426) | (452) |
| (1,030) | | (1,715) | (1,545) | (1,582) | (1,887) | (1,583) | (1,593) | (1,629) | (1,859) | (1,849) | (1,891) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 150 | | 159 | 155 | 173 | 193 | 188 | 196 | 222 | 215 | 230 | 254 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| 199 | | 404 | 428 | 466 | 504 | 531 | 535 | 539 | 621 | 619 | 630 |
| - | | - | - | - | - | - | - | - | - | - | - |
| 154 | | 143 | 133 | 126 | 117 | 109 | 101 | 93 | 248 | 230 | 237 |
| - | | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 23 | | - | - | - | - | - | - | - | - | - | - |
| 188 | | 615 | 434 | 416 | 669 | 349 | 350 | 364 | 364 | 353 | 353 |
| - | | - | - | - | - | - | - | - | - | - | - |
| 10 | | 394 | 269 | 274 | 404 | 243 | 235 | 251 | 411 | 417 | 417 |
| (306) | | - | (126) | (127) | - | (163) | (176) | (160) | - | - | - |
| 306 | | - | 126 | 127 | - | 163 | 176 | 160 | - | - | - |

† reserve funding as signalled is mainly to fund deficits required to operate the Port of Greymouth. This is funded from endowment land sales.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------------|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| (578) | (1,278) | (1,276) | (1,308) | (1,329) | (1,340) | (1,358) | (1,378) | (1,410) | (1,423) | (1,439) |
| 150 | 159 | 155 | 173 | 193 | 188 | 196 | 222 | 215 | 230 | 254 |
| 353 | 547 | 561 | 592 | 621 | 640 | 636 | 632 | 869 | 849 | 867 |
| (75) | (572) | (560) | (543) | (515) | (512) | (526) | (524) | (326) | (344) | (318) |

please also refer to section d:[6] statement concerning balancing the budget, page 145 for further disclosure on losses

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|

Significant capital projects

| | | | | | | | | | | |
|----------------------------|----|---|---|---|---|---|---|---|---|---|
| Improve sounding equipment | 75 | - | - | - | - | - | - | - | - | - |
|----------------------------|----|---|---|---|---|---|---|---|---|---|

[8.7] asset management

[1] groups of assets required by the group of activities.

Port marine structures, buildings and other operational assets have a total value of approximately \$3.1 million, reflecting the reduced level of investment in recent history. The majority of land holdings are classed as assets held for sale, which means Council discloses them at historic carrying values. The sale value of these properties achieved is often appreciable higher.

The aerodrome has a current value of approximately \$1.2 million, involving the land and runway improvements.

Developed parking areas have a current value of approximately three quarter of a million dollars.

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

The Parking Review as a public process will result in an action plan to deal with the parking shortage. The current shortage is expected to increase as a result of growth in population. Until an Action Plan is in place, available parking will be optimised through enforcement action against inconsiderate or over-time parking.

Expected growth in local fish handling/processing will result in industry needs for the Port changing. Council's response will be negotiated with the fishing industry and associated parties. In the meantime a minimalistic approach will be in use.

The establishment of a regular passenger air service may result in industry needs for the Aerodrome changing. Council's response will be negotiated with associated parties. In the meantime a minimalistic approach will be in use.

[3] what additional asset capacity is required?

The Parking Review will define the actual parking need. Current indications are that short term parking in the Mackay Street vicinity and longer term parking further out, yet within easy walking distance will be required. This may include paid parking.

If the Port is to handle cargo of anything more than medium volumes, upgrade of existing facilities (wharfage, berthage and associated lifting/moving equipment) will have to be provided. The immediate focus is, however, on undertaking urgent dredging.

The Aerodrome in its current condition can handle smaller passenger aircraft and, if services develop within the current physical constraints, i.e. runway length, it is not expected that significant further capacity will be required.

[4] how will it be funded?

Any additional asset capacity will be funded over the expected period of benefit the assets will deliver. This will be achieved by loan funding and meeting the loan servicing costs from user fees and rates. Financial contributions from new developments are used to fund parking developments where applicable.

[5] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewals are undertaken by Council staff or contractually under supervision of Council staff.

[6] how maintenance, renewal and replacement costs are met.

Costs for the port are funded from port income (user fees) and special funds (proceeds from land sales).

Costs for the Aerodrome and for parking is funded from rates and user fees

[7] assumptions about useful life and sources of funding for replacement.

- remaining life based on independent and in-house assessments.
- It is assumed that there will be sufficient return from endowment land and sale of endowment land to fund any port renewals.

[8.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| The port operation involves noise, odours and discharges to water | x | | x | x |
| The port operation generates vehicular traffic | x | x | x | |
| The port operation and the aerodrome represent a significant cost on the ratepayer (directly and indirectly) | | x | | |
| The Aerodrome operation involves noise | x | x | x | |
| Both the Aerodrome and Port involves a high measure of risk to life and property | x | x | x | x |

These are mitigated through compliance with consents, permits and operational requirements, a high premium on safety and safety procedures and responsible management.

- x** an impact
- x x** more significant in impact

[8.9] regional land transport programme

The Grey District Council's Land Transport Programme was previously consulted with the community through the 2006-2016 LTCOP.

This programme for the District (i.e. the 2009 – 2019 programme) is now included in the Regional Land Transport Programme (RLTP), and is consulted on separately by the Regional Council in accordance with provisions of the Land Transport Management Amendment Act 2008. The Grey District Council has submitted its Land Transport Programme to the West Coast Regional Council (WCRC) for inclusion in the West Coast Regional Land Transport Programme. This process runs in parallel with the Draft Ten Year Plan process. The Land Transport Management Act requires each region to prepare a Regional Land Transport Programme covering 10 years. The focus is on provision of detailed funding for the first three years, with RLTPs then being prepared on a three yearly cycle.

There are a number of projects that have been recommended to the RLTP, but Council has not included in this plan, largely for affordability reasons and uncertainty with the future strategic direction of the port. These mainly involve developing a cargo potential at the port of Greymouth, and Council will consider any potential options when more information is available. This includes undertaking any further public consultation on the specific issue it deems necessary.

[9] property and housing

Note: Property associated with Port of Greymouth and also Parks and Reserves is not included under this activity.

KEY POINTS SIGNALLED IN THIS PLAN

- maintain existing service provided for pensioner rentals, with affordable quality accommodation, with rent increases limited to no more than the rate of inflation.
- Development of new pensioner rental units, subject to suitable central government funding being secured.
- Occupying land only where it is economically viable to do so, and/or it is essential for provision of Council services.
- Maintain fair economic returns for Council's investment in all other property

[9.1] activities that are included in this group of activities and rationale for grouping

- Property (including rental land)
- Retirement Housing

These activities are grouped together as property owned by Council.

[9.2] aim

To:

- manage Council's land holdings prudently to secure optimum income in line with agreed rent setting methodologies and to retain land with strategic value.
- manage Council's municipal buildings efficiently
- manage its retirement housing portfolio on the basis that rentals will be structured so that the portfolio breaks even financially.
- manage its leasehold portfolio notably its residential leasehold portfolio in a sensitive and compassionate manner whilst, at the same time securing market related rents, and to continue to actively encourage freeholding
- manage its Mawhera land leases responsibly and at all times endeavouring to reduce the lease portfolio to an absolute minimum.
- sell off surplus land and interests in land at the highest prices

In order to:

- nurture a sense of value and belonging amongst the elderly population
- meet users' and public expectations
- meet legal/statutory responsibilities.
- optimise cost and income
- be accountable.

Note: Council does not at this point in time see the provision of low cost housing as a priority. This is because there is a private initiative to provide low and medium cost housing in Cobden. Should the status of that application change, Council will review its position at the time.

[9.3] why we provide it

Council is by law required to manage its land holding in a prudent and responsible manner. Based on historical land allocations, land acquisitions and other means, Council secured ownership of a reasonably significant land holding. Some of these properties are leased, amongst others a residential lease land portfolio. Council also owns and manages a number of significant buildings and also 120 retirement housing units.

Council also leases a number of properties from Mawhera Inc. Council has, in the past and will continue to lobby Mawhera Incorporation on the freeholding of the relevant property.

[9.4] key issues facing the activities

Council expects to improve levels of service in retirement housing. The process of selling off surplus land will make more land available for development. The social/cultural benefits of access to land ownership associated with Council's freeholding "drive" are also expected to yield strong positive benefits. The demand for more pensioner rental type accommodation is acknowledged and will be addressed.

[1] current

Council's focus on optimising income from its land holdings based on fair and transparent pricing methodologies, and selling off surplus land is continuing. It is committed to freeholding its residential leasehold portfolio and has put in place encouragement measures, i.e. a fixed price for a period of time. Council has also introduced the Deferred Payment Scheme as protection for especially older Lessees against rent increases.

Council's commitment to providing quality retirement housing is unwavering and a further housing scheme is under planning.

[2] 2010-2012

All land or interests in land, surplus to requirements and with no strategic value, will be sold to generate economic development. Mawhera Inc. leases will be renewed only if absolutely necessary. Potential land exchanges with Department of Conservation and other Crown agencies with a view to freeing up more land for development will be investigated.

Further freeholding of Council's leasehold portfolio will continue. A number of residential leases will remain on the books and it is expected that they will either sign up to the Rent Deferment Scheme or implement direct payment arrangements that will see their annual rents fully paid. This will avoid the actions in terms of the Property Law Act, 2007 as notified.

It is expected that a review of Council's options re the location of its municipal functions will commence. Funding under the Housing Innovation Fund is also expected to become available and this will facilitate the provision of a further 20 retirement housing units.

[3] 2013-2019

The property portfolio is expected to consist of land actively used by Council or deemed strategically important, with the balance sold.

Council's Mawhera Inc leases will cover land in Greymouth and Blaketown, actively occupied, with vacant leases not renewed. Critical decisions re the future location of Council's Office Complex will be taken as part of the decision to renew Mawhera Inc leases for the current complex.

Council's remaining leasehold portfolio will be small with the right to freehold remaining in place, other than where land may be strategic. Rent reviews are expected to involve moderate increases based on the market, and Council will ensure that rent setting processes remain fair and in keeping with the agreed processes.

Council's retirement housing portfolio will be maintained to a high standard and Council remains committed to maintaining it as safe, convenient and socially comforting living for our elderly.

Important issues to note:

- Potential relocation of Council's Office Complex onto freehold land
- Building of a further 20 retirement housing units
- Continued selling of unwanted/surplus land for development
- Freeholding of leasehold land to continue.

[9.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|--------|--|
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |
|---------------|--------|--|

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

[i] property

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|--|---------------------|-------------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ALL OUTCOMES | Maintaining and administering buildings and properties in a way that retains the value in the investments for current and future generations | Full assessment of strategically valuable land annually. | | not carried out in 2008 | 100% | 100% | 100% |
| | | portion of identified surplus land per lists cleared for sale annually | ? | 0% | 40% | 60% | 80% |
| | | % of retained land kept neat and tidy, based on complaints received | | 100% | 65% | 65% | 75% |

[ii] retirement housing

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|---|---------------------|----------------------|---------------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| HEALTH: A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY COUNCIL FACILITIES Council's portfolio provides affordable access to quality housing for pensioners | Provide quality and affordable facilities | maintain minimum level of occupancy rates | | 100% | 95% | 95% | 95% |
| | | complaints about the facilities | | 0 | Maximum 10 pa | Maximum 7pa | Maximum 5pa |
| | | number of new units developed | new | 0 | 0 | 20 | 0 |

[9.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$'000 | note | Budget 2009/2010 \$'000 | Forecast Budget 2010/2011 \$'000 | Forecast Budget 2011/2012 \$'000 | Forecast Budget 2012/2013 \$'000 | Forecast Budget 2013/2014 \$'000 | Forecast Budget 2014/2015 \$'000 | Forecast Budget 2015/2016 \$'000 | Forecast Budget 2016/2017 \$'000 | Forecast Budget 2017/2018 \$'000 | Forecast Budget 2018/2019 \$'000 |
|---------------------------------|--------------------------------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | 1 | - | - | - | - | - | - | - | - | - | - |
| (147) | Employee costs | (185) | (196) | (210) | (218) | (225) | (234) | (239) | (247) | (260) | (267) |
| (554) | Support costs | (494) | (551) | (612) | (618) | (639) | (685) | (686) | (706) | (817) | (822) |
| (92) | Operating & maintenance costs | (76) | (74) | (156) | (153) | (149) | (145) | (141) | (137) | (132) | (127) |
| (216) | Interest expense | (210) | (211) | (267) | (295) | (295) | (317) | (317) | (317) | (341) | (341) |
| (216) | Depreciation | (965) | (1,032) | (1,245) | (1,284) | (1,308) | (1,381) | (1,383) | (1,407) | (1,550) | (1,557) |
| (1,009) | 1 | (965) | (1,032) | (1,245) | (1,284) | (1,308) | (1,381) | (1,383) | (1,407) | (1,550) | (1,557) |
| Capital items: | | | | | | | | | | | |
| (15) | Renewal works | (16) | (16) | (17) | (18) | (18) | (19) | (20) | (20) | (21) | (21) |
| - | New capital | (58) | - | (2,252) | - | - | - | - | - | - | - |
| (23) | Debt principal repayments | (28) | (30) | (43) | (47) | (50) | (54) | (58) | (63) | (68) | (73) |
| (229) | Funding of reserves † | (212) | (278) | (263) | (249) | (255) | (221) | (246) | (245) | (184) | (197) |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (267) | | (314) | (324) | (2,575) | (314) | (323) | (294) | (324) | (328) | (273) | (291) |
| (1,276) | Total funding required | (1,279) | (1,356) | (3,820) | (1,598) | (1,631) | (1,675) | (1,707) | (1,735) | (1,823) | (1,848) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 16 | 1 | - | - | - | - | - | - | - | - | - | - |
| - | Rates - General | - | - | - | - | - | - | - | - | - | - |
| - | Rates - Targeted | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| 566 | 1 | 588 | 628 | 654 | 765 | 793 | 810 | 837 | 848 | 883 | 889 |
| - | User charges | - | - | 1,126 | - | - | - | - | - | - | - |
| 154 | Subsidies/donations | 143 | 133 | 126 | 117 | 109 | 101 | 93 | 96 | 99 | 102 |
| 118 | Other revenue | 165 | 206 | 218 | 227 | 234 | 241 | 248 | 256 | 311 | 321 |
| 118 | Internal recoveries | - | - | 1,126 | - | - | - | - | - | - | - |
| - | new loans raised | 173 | 178 | 303 | 194 | 200 | 206 | 212 | 218 | 189 | 195 |
| 206 | funding from reserves † | - | - | - | - | - | - | - | - | - | - |
| - | Transfer from ratepayer equity | 210 | 211 | 267 | 295 | 295 | 294 | 317 | 317 | 273 | 291 |
| 15 | depreciation funded | | | | | | | | | | |
| (201) | Funding deficit ‡ | - | - | - | - | - | (23) | - | - | (68) | (50) |
| 201 | ‡ depreciation not funded | - | - | - | - | - | 23 | - | - | 68 | 50 |

† Gain on sale of property is transferred to the land sale reserve. Any other surpluses generated from property activity are transferred to specific reserves to be utilised for future property expenditure. Part of the return on Council investments is used to fund the general property activity.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (1,009) | Total operating expenditure | (965) | (1,032) | (1,245) | (1,284) | (1,308) | (1,381) | (1,383) | (1,407) | (1,550) | (1,557) |
| 16 | Rates income | - | - | - | - | - | - | - | - | - | - |
| 838 | Other activity operating income | 896 | 967 | 2,124 | 1,109 | 1,136 | 1,152 | 1,178 | 1,200 | 1,293 | 1,312 |
| (155) | Net Surplus/(Deficit) | (69) | (65) | 879 | (175) | (172) | (229) | (205) | (207) | (257) | (245) |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|---------------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Significant capital projects | | | | | | | | | | |
| Civic Storage - Convert to File Space | 58 | - | - | - | - | - | - | - | - | - |
| New Retirement Rental Units | - | - | 2,252 | - | - | - | - | - | - | - |

[9.7] asset management

[1] groups of assets required by the group of activities.

Council has 120 rental units at a total current value of \$8 million. Other property including Council's main offices has a total value of approximately \$4.3 million.

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

The need for more retirement housing units has been identified pro-actively and Council has registered its intention of applying to the Housing Innovation Fund.

Unfortunately this fund is currently over-subscribed. Council will invest in strategic land purchases i.e. for the provision of future parking areas and retirement housing schemes. Should land be required, it will be purchased pro-actively on a case by case basis.

A specific focus will be on land exchanges with the Department of Conservation and other Crown agencies to free up more land for development.

Council is currently completing an expansion of the main administration headquarters and this is expected to provide sufficient capacity for more than the life of this plan.

[3] what additional asset capacity is required?

Purchase and/or redevelopment of additional land will be considered on a case-by-case basis. Council is already in principle committed to building more retirement housing units.

[4] how will additional asset capacity be undertaken?

Final commitment to expanding the retirement housing stock will be based on feasibility studies and public consultation. Strategic land purchases are undertaken on a pro-active basis.

[5] how will it be funded?

Council's initiatives will be funded from the relevant Reserves. Further retirement Housing schemes will be loan funded on the basis that full cost will be funded from rentals on a collective basis.

[6] how will maintenance, renewal or replacement be undertaken?

Maintenance of land holdings is done under contract, with Council's In-house Task Force undertaking the maintenance of some property. Contracts are supervised by Council staff.

The retirement housing portfolio is also maintained under contract with the expenditure a cost against the relevant (self-funding) account.

[7] how maintenance, renewal and replacement costs are met.

Maintenance and renewals of property are funded from income generated from the activity.

[8] assumptions about useful life and sources of funding for replacement.

Based on independent valuations. Replacement on major assets will be a cost on the community at the time and funded through external loans and/or special funds.

[9.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Council land restricts other, sometimes more productive land uses. | x | x | | |
| Land rents perceived as being unaffordable | x | | | |
| Vacant council land may detract from amenity values. | x | | x | x |
| Legislative requirements re sale/lease of Council land restrictive | x | x | | |

These are mitigated through fair, objective and transparent processes and responsible property management.

x an impact

xx more significant in impact

[10] community facilities and events

KEY POINTS SIGNALLED IN THIS PLAN

- new swimming pool in Greymouth and an upgraded facility in Runanga in operation. Being larger facilities and offering a far higher level of service operating costs increase.
- Limited maintenance of new parks, reserves, and other open spaces that Council becomes responsible for.
- Limited development of new community facilities

[10.1] activities that are included in this group of activities and rationale for grouping

- Civic Centre- Indoor Sport Centre
- Libraries
- Reserves
- Rest Rooms and Public Conveniences
- Events & Recreation Management
- Swimming Baths
- Cemeteries
- Council's In-House Task Force
- Arts, Culture and Heritage

The above mentioned activities/services all contribute to make life in the District "whole".

[10.2] aim

The goal for the provision of District Facilities and Events is:

- to provide a range of quality recreational/educational type services

In order to:

- add to the social environment and make life in and visits to the Grey District "whole"
- cater for a range of recreational, educational and convenience needs of the town and sub region.
- herald the District's history.
- build local identity

[10.3] why we provide it

Local authorities generally accept responsibility for a range of activities/services that add to the quality of life in their areas of jurisdiction, in spite of the fact that, with few exceptions, such services are not self funding and require extensive general rate input. Council is involved in each of the services outlined above for the following reasons.

- **Civic Centre- Indoor Sport Centre:** A significant asset in a region subject to high and regular rainfall. Even though not used to optimum capacity, the introduction of a climbing wall has added further motivation for the continued operation of the venue.
- **Libraries:** Libraries have a recreational and education role and Council is committed to retaining this service into the future. It has become an important cultural asset and the introduction of electronic facilities like internet kiosks has made it into a service centre.
- **Reserves:** Parks and reserves are an important aesthetic and recreational activity and also contributes to a healthy community.
- **Rest Rooms and Public Conveniences:** Council has both a health promotion and public convenience focus with its involvement in this activity.
- **Swimming Baths:** An important recreational and health promotional facility with sub-regional usage.
- **Events and Recreation Management:** Events and social functions build identity and contribute to a feeling of oneness and belonging as necessary ingredient of a successful community.
- **Cemeteries:** Another customary local government service which is provided with pride and compassion, as is evidenced by the aesthetic quality of our facilities.
- **Council's In-house Task Force:** The need to retain a general 'handyman' type capability with technical operations contracted out, resulted in this activity being created. It has since proven itself to be indispensable and highly productive.
- **Arts, Culture and Heritage:** Council recognises the importance of its own History House, as well as its joint action with the Greymouth Heritage Trust in the establishment and development of Coal River Park. Furthermore, Council recognises and supports a variety of community driven initiatives and projects.

[10.4] key issues facing the activities

It is expected that service levels will be affected as follows:

- Civic Centre: Council is committed to maintaining levels of service, in spite of low usage.
- Libraries: Council will endeavour to maintain levels of service but the ever-dwindling amount available to be spent on new books may result in potential decline.
- Reserves: The reduction in the number of Reserves following rationalisation will impact on service levels. The Moana foreshore development is a major improvement.
- Rest Rooms: Council is committed to maintaining levels of service.
- Swimming baths: The new aquatic centre and upgraded Runanga pool will represent a significant improvement in the current level of service.
- Event and Recreation Management: Service levels will improve and diversify.
- Cemeteries: Council is committed to maintain current high standards with the cooperation of volunteers.
- In house Task Force: Council is committed to maintaining levels of service, and may expand the service.
- Arts Culture and Heritage: Current levels may decline as a result of Council's ability to support external community facilities from year to year.

[1] current

Council is committed to the activities involved and accepts that a significant rate input will be required to continue the activities. The finalisation of the Greymouth Aquatic Centre and the Runanga Pool is awaited with great anticipation.

The ongoing maintenance of the parks, reserves and other open spaces that Council is responsible for provides a challenge, as the areas of these grow faster than the district grows. New areas are created with new subdivisions, the ownership of which passes to Council after agreed periods of time. There has also been increased demand for higher standards of maintenance to be met. The immediate focus will be on maintain existing areas of responsibility to current standards but limiting maintenance on new areas.

[2] 2010-2012

Council will review its future involvement in the individual activities on an ongoing basis in consultation with the community. It is expected that:

- Further negotiations with Tai Poutini Polytechnic, schools and other education and training providers re cooperation in the provision of library services may bring efficiencies without threat to any existing users or groups.

- The Parks and reserves review may result in a reduction in the number of reserves being maintained and the associated sale of unwanted reserves as surplus property. The primary capital expenditure will be on Moana foreshore.
- The need for new public conveniences will be reviewed continuously based on public feedback and as part of Council's pro-active approach to asset creation. Existing facilities will be maintained to functional standard.
- The upgraded Runanga Pool will be commissioned.
- Council's focus on the staging of quality events and the creation of new events promise to be exciting. The overall cooperation with Sport Canterbury West Coast will continue as will Council's informal focus on physical health promotion in its events
- Council will retain its In-House Task Force as a well-performing and very efficient operational capability. A feasibility study will be undertaken re the potential to introduce other technical operations, currently contracted out, under this activity.
- Council will continue to seek opportunities to make History House more self-funding. Council also expects to facilitate financial support for arts, culture and heritage from external funding agencies, i.e. Development West Coast, thereby reducing general ratepayer input where possible.

[3] 2013-2019

Council will review its future involvement in the individual activities on an ongoing basis in consultation with the community.

[10.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|---------------|-------------|---|
| Outcome One | ENVIRONMENT | That the distinctive character of the environment is appreciated and retained |
| Outcome Three | HEALTH | Healthy communities with access to quality facilities and services |
| Outcome Four | EDUCATION | A district that values and supports learning with accessible, relevant education and training opportunities |
| Outcome Five | SAFETY | A District that is a safe place to live |
| Outcome Six | IDENTITY | A "happening" district with a strong community spirit and distinctive lifestyle. |

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

[i] parks, reserves, and open spaces

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|--|---|----------------------------------|----------------------|------------------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| IDENTITY: QUALITY AND AFFORDABLE RECREATIONAL FACILITIES Contributes to the economy and attractiveness of the District by encouraging people to stay and visit the area. HEALTH: COMMUNITY PHYSICAL AND MENTAL HEALTH. Allows for many recreational opportunities ENVIRONMENT: A NEAT AND TIDY DISTRICT Effectively maintained open spaces make the district a more attractive place | Deliver a works programme as signalled in this plan. | Set achievable budgets for the available resources, and complete what we plan each year. Requested budget carry-forwards to be no more than 5% of total operating expenditure | 😞 | 20% | 5% | 5% | 5% |
| | Provide quality reserve and public garden spaces, appropriate to our environment | Maximum number of service requests per year. | ? | not known | 30 | 30 | 25 |
| | | number satisfied with facilities/service, per user survey† | ? | not known | 75% | 75% | 80% |
| | A rationalization of Council's parks and reserves portfolio | Review completed by 30 June 2010 | Review completed by 30 June 2010 | 😞 | not done in 2008 | 100% | n/a |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[ii] in-house task force

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|---|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENT: THAT THE DISTINCTIVE CHARACTER OF THE ENVIRONMENT IS APPRECIATED AND RETAINED provides an efficient service for tidying and maintaining sundry areas of the district | provide an in-house resource that can efficiently deal with issues quickly and on a case by case basis | Number of properties maintained on an ongoing basis | 😊 | 20 | 27 | 28 | 30 |
| | | Numbers of other tasks performed annually | 😊 | 304 | 300 | 300 | 300 |

[iii] restrooms and public facilities

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|---|---------------------|----------------------|-------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| IDENTITY: QUALITY AND AFFORDABLE RECREATIONAL FACILITIES Contributes to the economy and attractiveness of the District by encouraging people to stay and visit the area. HEALTH: A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY, AFFORDABLE COUNCIL SERVICES Public conveniences support healthy, safe communities | Provide quality and attractive facilities | Frequency of cleaning when open | 😊 | daily | daily | daily | daily |
| | | Maximum number of complaints per year | ? | not known | 30 | 30 | 25 |
| | | number satisfied with facilities/service, per residents survey† | ? | not known | 75% | 75% | 85% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[iv] heritage and culture

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|---|---------------------|----------------------|--------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| IDENTITY: A COMMUNITY FOCUSED ON THE FUTURE BUT COMFORTABLE WITH THEIR PAST Art, culture and heritage forms the essence of a community and help what it is today. EDUCATION: A DISTRICT THAT VALUES AND SUPPORTS LEARNING WITH ACCESSIBLE, RELEVANT EDUCATION AND TRAINING OPPORTUNITIES provides a quality facilities for learning and being informed | Operate and maintain History House museum | Number of visitors per annum | 😊 | 3,370 | 4,000 | 4,200 | 4,500 |
| | | New booklets produced | ? | not known | 3 | 4 | 5 |
| | | Family histories researched | ? | not known | 1 | 2 | 3 |
| | | Maintain annual financial support | 😊 | 25,000 | 25,000 | 25,000 | 25,000 |
| | Provide financial assistance to West Coast Theatre Trust | Maintain annual grant and other financial support for building maintenance, rates, insurance and ground rent to an approx value | 😊 | 21,000 | 21,000 | 25,000 | 30,000 |
| | Maintain involvement in Coal River Park | Maintain financial support until completion of project and registration as a national heritage walkway. | 😊 | 15,000 | 15,000 | 15,000 | 15,000 |
| | | Council representative to attend all meetings of Coal River Park Committee | 😊 | 100% | 100% | 100% | 100% |

[v] libraries

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|---|---------------------|----------------------|---------|-------------|------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| <p>EDUCATION: A DISTRICT THAT VALUES AND SUPPORTS LEARNING WITH ACCESSIBLE, RELEVANT EDUCATION AND TRAINING OPPORTUNITIES provides a quality facilities for learning and being informed</p> <p>HEALTH: A HEALTHY, POSITIVE COMMUNITY THROUGH ACCESS TO QUALITY, AFFORDABLE COUNCIL FACILITIES provides a quality facilities available for all</p> | provide quality library facilities and services that provide for the enjoyment, recreation, information and education needs of the whole community. | Maintain combined quality book stock at Greymouth and Runanga of a minimum quantity (Note: space restrictions limit the number of books that are able to be provided) | 😊 | 31,080 | 30,000 | 30,000 | 30,000 |
| | | no more than a % of stock being older than 8 years | 😞 | 37% | 20% | 20% | 20% |
| | | Maintain library membership at a minimum of % of the population. | 😊 | 50% | 50% | 50% | 50% |
| | | A minimum number of books issued annually | 😊 | 120,000 | 120,000 | 120,000 | 120,000 |
| | | Maintain non fiction collection that has an educational component at a minimum ratio of the collection material | 😊 | 40% | 40% | 45% | 45% |
| | provide internet access to quality online information | Occupancy rate of Aotearoa Peoples Netw ork. | 😊 | 75% | 75% | 77% | 80% |
| | provide an efficient service | Undertake feasibility study for a combined centrally located arts, culture and heritage centre by 2013 | new | new | n/a | n/a | Study undertaken |

[vi] swimming pools

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|---|--|---------------------|----------------------|------------------|------------------------|------------------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| <p>SAFETY: PERSONAL AND PROPERTY SAFETY improves public safety by encouraging involvement in learn to swim programmes</p> <p>HEALTH: COMMUNITY PHYSICAL AND MENTAL HEALTH enhances health of community by providing training, injury rehabilitation and mobility enhancement facilities</p> <p>IDENTITY: QUALITY AND AFFORDABLE RECREATIONAL FACILITIES provides a quality facilities for leisure and competitive swimming</p> | Provide quality and attractive facilities | Compliance with the NZ Water Quality Standards | ? | not know n | 100% | 100% | 100% |
| | | Number of complaints about the facilities per annum | ? | not know n | 10 | 5 | 3 |
| | | number satisfied with facilities/service, per user survey† | new | new | 90% | 90% | 90% |
| | Recover maximum income outside of rates | total visitor numbers - Greymouth | new | new | 100,000 | 100,000 | 105,000 |
| | | number of "non leisure" users - Greymouth | new | new | to be determined | increasing | increasing |
| | | total visitor numbers - Runanga | 😞 | 2,000 | 4,000 | 4,000 | 4,000 |
| | | secure on going sponsorship | new | new | negotiations | term contract in place | term contract in place |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[vii] cemeteries

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|--|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ENVIRONMENT Provides an environmentally safe location for burials to occur. IDENTITY: A COMMUNITY FOCUSED ON THE FUTURE BUT COMFORTABLE WITH THEIR PAST Cemeteries reflect the history and identify of the people who contributed to the development of the District. Well maintained cemeteries also in themselves contribute to the identity and history of the District. | Provide and maintain quality cemeteries | Maintained to an acceptable standard - % compliance with contract specification standard | 😊 | 100% | 100% | 100% | 100% |
| | | Maximum number of complaints per annum | ? | not known | 30 | 30 | 25 |
| | | number satisfied with facilities/service, per residents survey† | new | not known | 80% | 85% | 90% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[viii] civic centre

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|---|--|---|---------------------|----------------------|-------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| HEALTH: COMMUNITY PHYSICAL AND MENTAL HEALTH. enhances health of community by providing training facilities IDENTITY: QUALITY AND AFFORDABLE RECREATIONAL FACILITIES provides facilities for leisure and competitive | Provide and maintain an indoor sports facility | Number of hours used per year | new | new | 1,100 | 1,200 | 1,250 |
| | | Number of regional events staged per year | new | new | 3 | 4 | 5 |
| | | Number of National and/or events generated from outside the region staged | new | new | 1 | 1 | 2 |
| | | Maximum number of complaints about facility per annum | 0 | 0 | 2 | 1 | 1 |

[10.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 | note | Budget 2009/2010 | Forecast Budget 2010/2011 | Forecast Budget 2011/2012 | Forecast Budget 2012/2013 | Forecast Budget 2013/2014 | Forecast Budget 2014/2015 | Forecast Budget 2015/2016 | Forecast Budget 2016/2017 | Forecast Budget 2017/2018 | Forecast Budget 2018/2019 |
|-------------------------------|--------------------------------|------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$000 | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| | 1 | | | | | | | | | | |
| (541) | Employee costs | (636) | (656) | (694) | (728) | (752) | (777) | (798) | (822) | (849) | (873) |
| (282) | Support costs | (297) | (313) | (297) | (353) | (368) | (376) | (389) | (401) | (414) | (428) |
| (1,126) | Operating & maintenance costs | (1,525) | (1,472) | (1,553) | (1,591) | (1,735) | (1,689) | (1,735) | (1,820) | (1,841) | (1,896) |
| (98) | Interest expense | (118) | (116) | (115) | (113) | (111) | (109) | (106) | (104) | (102) | (100) |
| (320) | Depreciation | (568) | (572) | (649) | (653) | (657) | (720) | (723) | (726) | (795) | (800) |
| (2,367) | | (3,144) | (3,129) | (3,308) | (3,438) | (3,623) | (3,671) | (3,751) | (3,873) | (4,001) | (4,097) |
| Capital items: | | | | | | | | | | | |
| (96) | Renewal works | (178) | (99) | (168) | (102) | (146) | (131) | (222) | (117) | (120) | (124) |
| (9,992) | New capital | (94) | (2) | (2) | (17) | (48) | (67) | (17) | (2) | (2) | (18) |
| (15) | Debt principal repayments | (20) | (22) | (23) | (25) | (27) | (29) | (32) | (26) | (28) | (30) |
| (67) | Funding of reserves † | (591) | (442) | (442) | (443) | (443) | (444) | (444) | (444) | (445) | (445) |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (10,170) | | (883) | (565) | (635) | (587) | (664) | (671) | (715) | (589) | (595) | (617) |
| (12,537) | Total funding required | (4,027) | (3,694) | (3,943) | (4,025) | (4,287) | (4,342) | (4,466) | (4,462) | (4,596) | (4,714) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| | 1 | | | | | | | | | | |
| 1,703 | Rates - General | 1,769 | 1,869 | 2,014 | 2,111 | 2,307 | 2,347 | 2,402 | 2,468 | 2,556 | 2,639 |
| - | Rates - Targeted | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| | 1 | | | | | | | | | | |
| 301 | User charges | 580 | 598 | 634 | 676 | 673 | 694 | 715 | 737 | 759 | 783 |
| 595 | Subsidies/donations | 574 | 424 | 424 | 424 | 424 | 424 | 424 | 425 | 425 | 425 |
| - | Other revenue | - | - | - | - | - | - | - | - | - | - |
| - | Internal recoveries | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| 1,200 | new loans raised | 50 | - | - | - | - | - | - | - | - | - |
| 8,418 | funding from reserves † | 486 | 231 | 222 | 161 | 226 | 157 | 202 | 106 | 61 | 67 |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| 96 | depreciation funded | 568 | 565 | 635 | 587 | 657 | 671 | 715 | 589 | 595 | 617 |
| (224) | Funding deficit ‡ | - | (7) | (14) | (66) | - | (49) | (8) | (137) | (200) | (183) |
| 224 | ‡ depreciation not funded | - | 7 | 14 | 66 | - | 49 | 8 | 137 | 200 | 183 |

† Council has at this stage internally financed part of the capital cost of the Greymouth Aquatic facility, and the transfers to reserves are the repayment of the internal debt. Transfers from reserves are from funds specifically set aside for district facilities such as swimming pools and parks and reserves.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------------|---------------------------------|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| (2,367) | Total operating expenditure | (3,144) | (3,129) | (3,308) | (3,438) | (3,623) | (3,671) | (3,751) | (3,873) | (4,001) | (4,097) |
| 1,703 | Rates income | 1,769 | 1,869 | 2,014 | 2,111 | 2,307 | 2,347 | 2,402 | 2,468 | 2,556 | 2,639 |
| 896 | Other activity operating income | 1,154 | 1,022 | 1,058 | 1,100 | 1,097 | 1,118 | 1,139 | 1,162 | 1,184 | 1,208 |
| 232 | Net Surplus/(Deficit) | (221) | (238) | (236) | (227) | (219) | (206) | (210) | (243) | (261) | (250) |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|--|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|

Significant capital projects

| | | | | | | | | | | |
|----------------------------|----|---|---|---|----|----|---|---|---|---|
| Cobden Playground | 41 | - | - | - | - | - | - | - | - | - |
| New Walkways/Parks | - | - | - | - | - | 65 | - | - | - | - |
| Gladstone Cemetery Stage 2 | - | - | - | - | 46 | - | - | - | - | - |

[10.7] asset management

[1] groups of assets required by the group of activities.

| Heritage |
|------------------------------|
| History House and collection |
| Art Gallery building |
| Coal River Park |
| Brunner Memorial Bridge |

| Swimming Pools |
|---------------------------------------|
| Greymouth aquatic centre |
| Spring Creek aquatic centre (Runanga) |

| |
|--------------------------------------|
| Civic Centre - Indoor Sports stadium |
|--------------------------------------|

| RESERVES |
|--|
| Walking tracks |
| Grandjeans Creek Walk (10 mins) |
| Lions Walk (30 mins)- Cobden Kells Hotel |
| Kowhai Bush Walk (20 mins) |
| King Domain Walk (1 hr return) |
| Omotumotu Bush Walk (25 mins loop) |
| Coronation Domain Walk (5 mins) |
| Gun Emplacement Walk (10 mins) |
| Cobden Cave |
| Coden Walkway |

| Parks and open spaces |
|---|
| Rotary Park |
| Karoro Domain |
| Arnotts Heights |
| Arnotts Heights Viewing Platform |
| Dixon Park - Brunner / Turumaha Streets |
| Blaketown - Reid Street |
| McGlashan Park - Cobden |
| Runanga Playground |
| Albert Mall |
| Keith Road |
| McGinley |
| Messenger Park |
| Cobden Campervan Dump Station Site |
| Helena Dense Reserve |
| Moana Foreshore Reserve |
| Iveagh Bay Reserve |
| Lake Poerua |
| Lake Karoro Viewing Area |
| Jellymen Park Coastal Viewing Area |
| Aerodrome Road Coastal Viewing Area |
| Anzac Park |
| Greymouth Floodwall Landscape Area |

| Restrooms |
|-------------------------|
| Tarapuhi Street Toilets |
| Dixon Park Toilets |
| Shakespeare Street |
| Left Bank Art Gallery |
| Mackay Street |
| Runanga |
| Anzac Park |
| Moana Jetty |
| Moana Yatch Club |
| Iveagh Bay |

| Cemeteries |
|-------------------------|
| Karoro* |
| Gladstone |
| Stillwater |
| Barrytown |
| Blackball |
| Ahaura |
| Nelson Ck (Ngahere) |
| Moonlight (Closed) |
| Maori Gulley (Closed) |
| Cobden (Closed) |
| Greenstone (Closed) |
| Dunganville (Closed) |
| Notown Valley (Closed) |
| Napoleans Hill (Closed) |

As at June 2008 these assets had a value of over \$10 million. Taking into account the new Greymouth Aquatic centre and Spring Creek Aquatic Centre in Runanga the value is over \$20 million.

[2] how will council assess and manage implications of changes to demand or changes to service provision levels?

Civic Centre: It is currently grossly under-utilised and can, with good rostering and planning, accommodate more than double its current patronage.

Libraries: The Greymouth Library will be able to accommodate expected new growth, subject to increased funding on new book stock. The Runanga Library is under-utilised and can accommodate significant growth in user numbers.

Reserves: Council is not expecting to have to build new parks other than the Moana foreshore, and new subdivisions are expected to provide new open spaces. The reinstatement of Cobden landfill as an ongoing project over time is an important spending indicator for the future. The coastal pathway project as a concept may well develop into something more concrete. Should this happen, important issues like funding, staging and execution will be determined in consultation with the community.

Rest Rooms and Public Conveniences: It is expected that there will be community pressure to provide additional public conveniences in Moana, Blackball, Lake Haupiri and Lake Poerua.

Swimming Baths: The new aquatic centre will provide for the current and future needs of the District. The upgraded Runanga Pool can accommodate more than double the current number of users.

Events and Recreation Management: The focus remains on using staff competence and capacity to secure actual, measurable benefits rather than getting bogged down in administration. The close liaison with the Commercial sector should ensure that the focus will, at all times be correct.

Cemeteries: It is expected that further sectors of the Gladstone Cemetery will have to be opened during the planning period.

Council's In-house task force: Workload may change if it proves to be feasible to bring certain contracted out functions in-house.

Arts, Culture and Heritage: Even though History House in particular is experiencing a shortage of room in which to display its full historical collection, it remains financially unviable and Council is not convinced that addressing the accommodation problem will change the financial fortunes of the service.

[3] what additional asset capacity is required?

With the exception of cemeteries and reserves the assets provide the levels of service intended for the life of this plan. The cemetery at Gladstone will be expanded and developed further as demand dictates. Financial contributions levied on new development will be utilised to develop/enhance reserve areas in the district.

[4] how will it be funded?

It will be funded through loans, rates and contributions from Reserves.

[5] how will maintenance, renewal or replacement be undertaken?

Maintenance and renewal works will be undertaken by staff, internal business units and external contractors. Renewals are indentified in Activity Management Plans which will be subject to regular review and update.

[6] how maintenance, renewal and replacement costs are met.

- Rates
- User fees
- Special funds

For specific detail on funding of each activity refer to the Revenue and Financing policy in Volume 2.

[7] assumptions about useful life and sources of funding for replacement.

Based on external valuation data where available supplemented with local knowledge and relevant history. Replacement of most major assets will be a cost on the community at the time and funded through loans and/or special funds.

[10.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|--|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Noise from facilities where located close to residential areas | xx | x | x | x |
| Traffic Generation from patrons/users of facilities/services | x | x | xx | x |
| Compromise to air quality from Aquatic Centre boiler | x | x | x | x |

These are mitigated through compliance with Resource Consent conditions, responsible management of activities and services including limiting night-time hours of operation.

- x an impact
- xx more significant in impact

[11] democracy and administration

KEY POINTS SIGNALLED IN THIS PLAN

- Provide existing levels of service.
- No additional staffing signalled in this plan. Focus on recruiting and retaining key staff.

[11.1] activities that are included in this group of activities and rationale for grouping

- Council
- Council's Administration
- Economic Development & Marketing and Youth Development.
- Consultation with the community

The grouping reflects management focus and operational interaction overlap. Economic Development, Marketing and Youth Development as Activity falls under this wider grouping simply because it is managed as a low-key activity by the same staff members.

[11.2] aim

To provide for sound, effective participatory local government and development by:

- Responsible, equitable and accountable Council decisions and processes, at all times considering the social, economic, environmental and cultural wellbeing of the community and the impact of decisions on current and future communities.
- Open and practical consultation with the community, at all times seeking to maximise public participation into Council policy-making
- Accessible, transparent and accountable governance
- An accessible, efficient, responsive and competent Council Administration including transparent processes and access to information
- Creating and maintaining effective processes to grow our community through Council's own processes, its support for community organisations

and its active participation in the Regional Economic Development Strategy. (REDS).

- Facilitating Youth Development through active cooperation with other youth service providers and youth representatives. Council supports the establishment of a Youth Transition Service for the district. This service would support young people to transition from school into employment or further training. Council would take a role in the governance of the service.

In order to:

- provide positive leadership to the District and its community.
- strengthen the concept of an active partnership.
- deliver quality services
- inform/empower the community and specific interest groups, i.e. Maori
- grow the local economy
- create social and economic opportunities for young people

[11.3] why we provide it

Council is committed to sound, effective and participatory local government with special focus on growing the local economy and facilitating opportunities and facilities for its young people. It sees itself as being in an active, productive and enduring partnership with the community. Apart from its local government and associated leadership function, Council sees itself as having an advocacy, facilitation and empowerment role in respect of all aspects affecting the social, economic, cultural and environmental wellbeing of the community.

[11.4] key issues facing the activities

The continued focus on keeping costs as low as possible may result in service delivery standards not increasing as fast as expected. The consultation focus will remain but will be practical rather than elaborate and costly with consultation methodologies designed at balancing cost with public response.

For the Youth Transition Service it is envisioned as locally based, linked with sister services in Grey and Buller districts. It would be funded by the Ministry of Social Development. The Youth Transition Service aspires for every young person to be in employment, education or training.

[1] current

The Grey District is doing well and is performing appreciably better than the benchmark for smaller local authorities. Economically, the District continues to grow at a rate in excess of the national average mostly thanks to the development of the mining industry. The Regional Economic Development Strategy is taking off and Council is positive that the District will continue to grow positively as a result.

Council plays a key role in this and its close relationship with its community is seen as one of the primary reasons for it. In spite of this, public consultation is only partially successful with smaller numbers of submissions received. This can be as a result of the apparent high level of public satisfaction with Council or it can be a case of a community feeling over-consulted. The focus on open and transparent processes is unwavering.

[2] 2010-2012

The focus of Council and its Administration will remain on organisational efficiency, openness and the continual focus on the improvement of its service delivery. A key focus will be to keep costs as low as possible.

The Youth Development Strategy, being developed in consultation with other youth service providers and the young people in the District promises to result in increased benefits and opportunities for our young people that will halt the exodus to larger centres. It is expected that the focus on Youth will intensify and that more formal arrangements re coordination of services may follow.

The Regional Economic Development Strategy will be bedding in and it is expected that the first impacts will become visible.

Council's focus on growing public participation in local governance is expected to have positive outcomes and that the quality of input will also improve. This bodes well for the District as developing area.

[3] 2013-2019

The Regional Economic Development Strategy will be well established and the impact of the regional approach will be evident. Economic growth will perform above average for New Zealand.

Youth development initiatives will expand and will require current operational arrangements to be reviewed.

Issues of note are:

- The focus on sustainability and affordability of service delivery.

- Economic growth at a rate higher than the New Zealand average
- A Regional approach to Economic Development.
- A strong focus on Youth development
- Council's honest intention to secure greater public participation in Council decision-making.

[11.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

| | | |
|-------------|---------|---|
| Outcome Two | ECONOMY | A thriving, resilient and innovative economy creating opportunities for growth and employment |
|-------------|---------|---|

Council has a role to play in achievement of all outcomes

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|--------|---------------------------|
| 😊😊 | better result than target |
| 😊 | achieved required target |
| 😐 | some targets achieved |
| 😞 | did not achieve target |
| ? | unknown/not measured |

[i] democracy

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|---|---------------------|----------------------|------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ALL OUTCOMES | Maintaining the highest level of personal conduct and integrity as Council and individual members | Council members declaring interests in matters, be it financial, bias or predetermination | 100% | 100% | 100% | 100% | 100% |
| | | Council member adhering to Code of Conduct (based on maximum number of issues raised during the year) | ? | not known | 5 | 4 | 3 |
| | | Council adherence to Triennial Agreement (based on maximum number of issues raised during the year) | ? | not known | 3 | 2 | 0 |
| | effective consultation and communication | number of surveyed† residents who feel that they have an effective say in Council business | ? | not known | 60% | 75% | 80% |
| | | % of correspondence replied to within 10 working days. | ☹ | 51% | 60% | 75% | 90% |
| | transparent processes | % of agenda items held in open Council | 😊 | >80% | 75% | 75% | 80% |

† Council intends to have resident surveys undertaken by an independent firm that can provide a professional and quality service. The intention is for surveys to be undertaken annually and to provide results that enable meaningful interpretation to how Council itself is performing. A sufficient number of people will be surveyed that provides for an acceptable margin of error.

[ii] economic development

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|---|---------------------|--------------------------|--------|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| ECONOMY: DIVERSITY TO ENSURE A SUSTAINABLE ECONOMIC FUTURE ECONOMY: DEVELOPING NEW OPPORTUNITIES FOR LOCAL INVESTMENT The economy of the Grey District is diverse, adaptable, and growing | Enabling and contributing to activities that offer the potential for economic growth and promote the district | Successfully fund and employ an Events and Marketing Officer | 😊 | employed during the year | ✓ | ✓ | ✓ |
| | | Maintain financial commitment to Tourism West Coast | 😊 | 83,000 | 83,000 | 83,000 | 83,000 |
| | | Maintain financial commitment to Business and Promotion Association | 😊 | 24,500 | 24,500 | 24,500 | 24,500 |
| | | Maintain financial commitment to Information Centre | 😊 | 50,000 | 50,000 | 50,000 | 50,000 |

[11.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 \$000 | note | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|---------------------------------|--------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding required: | | | | | | | | | | | |
| Operating expenditure: 1 | | | | | | | | | | | |
| (2,836) | Employee costs | (2,942) | (3,034) | (3,214) | (3,369) | (3,481) | (3,590) | (3,696) | (3,809) | (3,923) | (4,041) |
| (937) | Support costs | (921) | (976) | (1,085) | (1,109) | (1,142) | (1,177) | (1,222) | (1,257) | (1,295) | (1,337) |
| (2,059) | Operating & maintenance costs | (2,029) | (2,155) | (2,234) | (2,285) | (2,429) | (2,407) | (2,524) | (2,624) | (2,707) | (2,754) |
| - | Interest expense | - | - | (23) | (22) | (21) | (20) | (19) | (18) | (16) | (15) |
| (284) | Depreciation | (296) | (304) | (359) | (409) | (417) | (427) | (438) | (438) | (448) | (457) |
| (6,116) | | (6,188) | (6,469) | (6,915) | (7,194) | (7,490) | (7,621) | (7,899) | (8,146) | (8,389) | (8,604) |
| Capital items: | | | | | | | | | | | |
| (107) | Renewal works | (83) | (94) | (92) | (90) | (112) | (102) | (102) | (111) | (110) | (112) |
| (93) | New capital | (68) | (145) | (732) | (33) | (33) | (47) | (149) | (61) | (172) | (139) |
| - | Debt principal repayments | - | - | (13) | (14) | (15) | (16) | (17) | (19) | (20) | (22) |
| (955) | Funding of reserves † | (714) | (684) | (610) | (566) | (548) | (567) | (583) | (597) | (634) | (661) |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (1,155) | | (865) | (923) | (1,447) | (703) | (708) | (732) | (851) | (788) | (936) | (934) |
| (7,271) | Total funding required | (7,053) | (7,392) | (8,362) | (7,897) | (8,198) | (8,353) | (8,750) | (8,934) | (9,325) | (9,538) |
| Funded by: | | | | | | | | | | | |
| Rates 1 | | | | | | | | | | | |
| 1,199 | Rates - General | 1,131 | 1,200 | 1,268 | 1,320 | 1,358 | 1,395 | 1,433 | 1,469 | 1,517 | 1,559 |
| 201 | Rates - Targeted | 209 | 207 | 229 | 215 | 216 | 219 | 221 | 224 | 227 | 230 |
| Activity Income 1 | | | | | | | | | | | |
| 114 | User charges | 121 | 150 | 129 | 110 | 199 | 112 | 152 | 188 | 162 | 132 |
| 77 | Subsidies/donations | 85 | 112 | 142 | 128 | 127 | 104 | 108 | 112 | 130 | 119 |
| 690 | Other revenue | 490 | 429 | 339 | 284 | 258 | 272 | 281 | 302 | 334 | 356 |
| 4,404 | Internal recoveries | 4,449 | 4,642 | 4,954 | 5,189 | 5,368 | 5,551 | 5,742 | 5,898 | 6,094 | 6,294 |
| Other sources of funds | | | | | | | | | | | |
| - | new loans raised | - | - | 338 | - | - | - | - | - | - | - |
| 302 | funding from reserves † | 272 | 348 | 604 | 242 | 255 | 273 | 375 | 303 | 413 | 391 |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| 107 | depreciation funded | 296 | 304 | 359 | 409 | 417 | 427 | 438 | 438 | 448 | 457 |
| (177) | Funding deficit ‡ | - | - | - | - | - | - | - | - | - | - |
| 177 | ‡ depreciation not funded | - | - | - | - | - | - | - | - | - | - |

† Any interest earned on special funds is recognised in this activity group as income. This is transferred to special funds. Council also transfers money to specified reserves, per the policy contained in volume 2. Money transferred from reserves is generally for plant and equipment replacement and comes from funds specifically set aside for the purpose.

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|-----------------------------------|---------------------------------|---------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| (6,116) | Total operating expenditure | (6,188) | (6,469) | (6,915) | (7,194) | (7,490) | (7,621) | (7,899) | (8,146) | (8,389) | (8,604) |
| 1,400 | Rates income | 1,340 | 1,407 | 1,497 | 1,535 | 1,574 | 1,614 | 1,654 | 1,693 | 1,744 | 1,789 |
| 5,285 | Other activity operating income | 5,145 | 5,333 | 5,564 | 5,711 | 5,952 | 6,039 | 6,283 | 6,500 | 6,720 | 6,901 |
| 569 | Net Surplus/(Deficit) | 297 | 271 | 146 | 52 | 36 | 32 | 38 | 47 | 75 | 86 |

[2] significant capital expenditure

| | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|-------------------------------------|---------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Significant capital projects | | | | | | | | | | |
| Digital aerial photography | 3 | 3 | 248 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Corporate software system | - | 106 | 338 | - | - | - | - | - | - | - |

[11.7] asset management

There are a number of operational assets required to support the administration function of Council, such as office furniture and fittings, vehicles, and information technology equipment. Assets are replaced on an as needs basis. The costs of maintaining, renewing, and replacing these assets are recovered from the significant activities supported. It is not anticipated that there will be a need for any significant demand for additional asset capacity over the life of this plan.

[11.8] significant potential negative effects

| POTENTIAL IMPACT | WELLBEING | | | |
|---|-----------|----------|---------------|----------|
| | SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL |
| Budgetary constraints may result in economic and youth outcomes not being achieved as quickly as is expected. | x | xx | x | xx |
| Economic growth requires a large up-front investment with benefits accruing later if at all. | | xx | x | |
| Legislative requirements make consultation documents unnecessary unwieldy and difficult to read | xx | | | xx |

These are mitigated through Council's unwavering insistence that it is in partnership with its community.

- x** an impact
- xx** more significant in impact

[12] liaison with other agencies

KEY POINTS SIGNALLED IN THIS PLAN

- facilitating community safety projects as long as central government funding is available
- entering into agreements with external service providers in the health, safety, and educational sectors

[12.1] activities that are included in this group of activities and rationale for grouping

- Co-operation with External Service Providers, i.e. health, safety, and education.
- Community Safety Projects and Restorative Justice

These activities are related less to the core business of Council, or where Council acts as the facilitating or liaising agency.

[12.2] aim

The goal for the Community Safety Projects and Restorative Justice and Liaison with other Agencies Group of Activities is:

- To align other service provider activity to achieve the non-Council related community outcomes.
- To ensure achievement of outcomes set by the relevant Crown funding agencies.

Council's objectives are:

- To maintain funding of community projects by Crown agencies.

[12.3] why we provide it

Three of the community outcomes involve services not delivered by Council. Council is therefore reliant upon the actual service providers to achieve such outcomes. These are:

- Outcome Three: Health. The primary service provider is the WCDHB through Grey Base Hospital with local doctors and other medical service providers also important.
- Outcome Four: Education. The primary service provider would be the Education Ministry, Tai Poutini Polytechnic, schools, Karoro Learning Centre
- Outcome Five: Safety. The primary service providers are the NZ Police with the NZ Fire Service another important agency.

Council will develop a close association with all of these service providers in order to achieve the outcomes. In the meantime, Council's activity management plans incorporate the strategic plans of the relevant service providers as it already aligns with the stated outcomes.

Council also is a facilitator for a range of community driven projects related to:

- Restorative Justice.
- A community patrol initiative.
- The Big Brother Big Sister project.
- Youth promotion projects delivered by Tai Poutini Polytechnic and other service providers.

[12.4] key issues facing the activities

The improved co-operation and co-ordination with other service providers will have positive effects on current levels of service. Also, the success of Restorative Justice, the Big Brother Big Sister project, Community Patrol will result in a safer environment. The need for a neighbourhood watch network is expected to become topical.

[1] current

Restorative Justice, Community Patrol and the Big Brother Big Sister initiatives are in place and functioning in compliance with performance criteria set by the Crime Prevention Unit of the Ministry of Justice. The future of funding is uncertain. In the case of Restorative Justice, the service is delivered regionally. Given the growing gap between Crown funding and project cost, the service will be limited to the District or delivered within the Crown funding budget.

Cooperation with the service providers involved in youth promotion, safety, education and health is on an informal footing.

[2] 2010-2012

As a matter of priority, Council will seek the formal cooperation of the identified service providers involved in the achievement of the community identified outcomes. Council will not be seeking strategic changes from these service providers as their current strategic planning already aligns with the community outcomes and the focus will be on agreeing on action plans and performance measures

Restorative Justice, Community Patrol and the Big Brother Big Sister initiatives are reliant upon continued Government financial support. It is expected that the Government support will be renewed until 2010 as a minimum.

It is expected that a neighbourhood watch initiative will be launched

[3] 2013-2019

Implementation of external service provider action plans will be the main focus. It is anticipated that Crown funding for the community safety projects will continue.





[12.5] links to outcomes and measuring the service delivered by council

[1] there is a primary link to the following outcomes:

Outcome Five SAFETY A District that is a safe place to live

[2] performance measurement will be based on:

key for symbols where used

| SYMBOL | DESCRIPTION |
|---|---------------------------|
|  | better result than target |
|  | achieved required target |
|  | some targets achieved |
|  | did not achieve target |
| ? | unknown/not measured |

| How it contributes to our community outcomes | Council's goal | How we measure our performance | Performance targets | | | | |
|--|---|--------------------------------|---------------------|----------------------|---|-------------|-------------|
| | | | current performance | 2008 result if known | 2010 | 2011 - 2012 | 2013 - 2019 |
| PERSONAL AND PROPERTY SAFETY There is a safe district for all | To facilitate measures that reduce crime in the district, thru Safer Community Council, Restorative Justice, and other programmes | levels of crime | ? | not known | reducing levels of crime recorded in surveys and official statistics | | |
| | | levels of re-offending | ? | not known | reducing levels of re-offending recorded in surveys and official statistics | | |

[12.6] financial information

Note: All financial information should be read in conjunction with the full financial information and policies as detailed in SECTION D:

[1] cost of service statement

| Adopted Budget 2008/2009 | note | Budget 2009/2010 | Forecast Budget 2010/2011 | Forecast Budget 2011/2012 | Forecast Budget 2012/2013 | Forecast Budget 2013/2014 | Forecast Budget 2014/2015 | Forecast Budget 2015/2016 | Forecast Budget 2016/2017 | Forecast Budget 2017/2018 | Forecast Budget 2018/2019 |
|-------------------------------|--------------------------------|------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$000 | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Funding required: | | | | | | | | | | | |
| Operating expenditure: | | | | | | | | | | | |
| - | Employee costs | - | - | - | - | - | - | - | - | - | - |
| (54) | Support costs | (49) | (52) | (55) | (58) | (60) | (62) | (64) | (66) | (68) | (70) |
| (47) | Operating & maintenance costs | (67) | (67) | (70) | (70) | (71) | (73) | (74) | (75) | (77) | (78) |
| - | Interest expense | - | - | - | - | - | - | - | - | - | - |
| - | Depreciation | - | - | - | - | - | - | - | - | - | - |
| (101) | | (116) | (119) | (125) | (128) | (131) | (135) | (138) | (141) | (145) | (148) |
| Capital items: | | | | | | | | | | | |
| - | Renewal works | - | - | - | - | - | - | - | - | - | - |
| - | New capital | - | - | - | - | - | - | - | - | - | - |
| - | Debt principal repayments | - | - | - | - | - | - | - | - | - | - |
| - | Funding of reserves | - | - | - | - | - | - | - | - | - | - |
| - | Internal transfers | - | - | - | - | - | - | - | - | - | - |
| (101) | Total funding required | (116) | (119) | (125) | (128) | (131) | (135) | (138) | (141) | (145) | (148) |
| Funded by: | | | | | | | | | | | |
| Rates | | | | | | | | | | | |
| 43 | Rates - General | 53 | 55 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| - | Rates - Targeted | - | - | - | - | - | - | - | - | - | - |
| Activity Income | | | | | | | | | | | |
| - | User charges | 35 | 36 | 39 | 41 | 43 | 46 | 48 | 50 | 53 | 55 |
| 58 | Subsidies/donations | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| - | Other revenue | - | - | - | - | - | - | - | - | - | - |
| - | Internal recoveries | - | - | - | - | - | - | - | - | - | - |
| Other sources of funds | | | | | | | | | | | |
| - | new loans raised | - | - | - | - | - | - | - | - | - | - |
| - | funding from reserves | - | - | - | - | - | - | - | - | - | - |
| - | Transfer from ratepayer equity | - | - | - | - | - | - | - | - | - | - |
| - | depreciation funded | - | - | - | - | - | - | - | - | - | - |
| - | Funding deficit ‡ | - | - | - | - | - | - | - | - | - | - |
| - | ‡ depreciation not funded | - | - | - | - | - | - | - | - | - | - |

(Note 1) Activity income statement

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (101) | Total operating expenditure | (116) | (119) | (125) | (128) | (131) | (135) | (138) | (141) | (145) | (148) |
| 43 | Rates income | 53 | 55 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 58 | Other activity operating income | 63 | 64 | 67 | 69 | 71 | 74 | 76 | 78 | 81 | 83 |
| - | Net Surplus/(Deficit) | - | - | - | - | - | - | - | - | - | - |

[2] significant capital expenditure

None

[12.7] asset management

No assets involved

[12.8] significant potential negative effects

None

section d: forecast financial statements, rating, and other financial information

[1] introduction

[1.1] 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 June 2009.

[1.2] authorisation for issue

This document was authorised for issue by Council on, and is dated, **30 JUNE 2009**.

[1.3] purpose for which this plan is prepared

This Grey District Council 2009 - 2019 Long Term Community Outcomes Plan is prepared in accordance with the Local Government Act 2002, which requires a council, at all times, to have a Long Term Council Community 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.

[1.4] comparative information

The 2008/2009 comparative information is based on the 2008/2009 Annual Plan. The comparatives do not include any financial information relating to port activities at the Port of Greymouth. This is because at the time of preparing the 2008/2009 Annual Plan it was assumed that this function would be within Port Westland Limited. This has turned out to not be the case (see section d:[2.14] port westland operations below).

[1.5] 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.

[2] key assumptions applied in the preparation of this plan

the following sections sets out the key assumptions that Council has made that have an effect on the information contained in the plan. The following section then assesses the risk of the assumptions being incorrect and potential impact on the plan of incorrect.

[2.1] price level adjustment

Price level adjustments for inflation have been allowed for all 10 years of the ten-year [Long Term Community Outcomes Plan](#).

Price level adjustments for have been derived from those recommended to Local Government by Business and Economic Research Limited (BERL) and modified by known local data. The following are the annual price adjustments allowed for:

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|
| CPI - General | 3.2% | 3.1% | 5.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Building Costs | 3.5% | 3.3% | 5.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Construction Index | 3.5% | 3.3% | 5.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Primary Producers Index | 3.5% | 3.3% | 5.8% | 4.8% | 3.3% | 3.1% | 3.0% | 3.0% | 3.0% | 3.0% |
| Electricity Index | 0.0% | 3.3% | 5.8% | 3.2% | 3.3% | 3.4% | 2.7% | 3.6% | 3.7% | 3.7% |
| Roading Index | 4.2% | 3.2% | 5.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

Note a nil price increase for electricity has been forecast for year 1 on the assumption that by competitively tendering Council's electricity supply and focusing on power efficiency a nil increase can be achieved.

Inflation assumption per the above have been included on a line by line basis in operating budgets; with equivalents from 2008/2009 estimates used as the basis for calculating future years expenditure items

Of note, year three includes an allowance for any introduction of an emissions trading scheme, as is currently legislated for. It is expected that this would result in an increase of approximately 1.1% per annum across most costs (allowing for downstream effects).

[2.2] growth forecasting

Growth has been allowed for at a rate equivalent to the Statistics New Zealand 'high' growth projections for the district. The [Long Term Community Outcomes Plan](#) assumes that the District's population will increase from the latest estimation of 13,397 people as at June 2008 to an estimated 14,065 by 2019 (an average of approximately 0.4% growth per annum).

Within the Long Term Community Outcomes Plan, growth has been based on known planning constraints or if there are no known constraints then growth is assumed to be 'straight-line' between years. These assumptions have been applied when projecting expenditure and revenue over the ten-year period. The projections for different infrastructure services, such as water and sewer, will vary from the above population figures, because the areas served by each scheme do not necessarily involve the whole district, and the probable rate of growth will differ from scheme to scheme. Across the whole District, growth forecasts are projected off the latest available dwelling information within the Ten Year Plan.

[2.3] borrowing

[i] interest rates

Interest rates on borrowings are calculated on:

- Current rates for existing borrowings (7.00% - 8.15%).
- 7.00% p.a. – 7.50% p.a. for new or re-financed borrowing.

It is likely that interest rates in the shorter term may be lower than these assumptions; however the rates have been used as the most likely long term cost of funds for Council projects.

[ii] terms

The periods over which loans are repaid have been matched to the expected period of benefit that the financed asset will deliver (generally set to a maximum of 30 years), and income levels have been set at sufficient levels to meet repayment terms.

[2.4] investments

Interest rates on investments are calculated at 4.0% p.a. across all years. This is based on the average return for investments placed in the market at the time of preparing this plan.

[2.5] governance structure

It is assumed that the governance structure will remain in the state as anticipated by this plan over the duration of this plan.

[2.6] grants and subsidies

Council is assuming that grants and subsidies from Central Government will continue at their present level. Most significant of these are:

- New Zealand Transport Agency (NZTA) - Subsidies have been included at the approved rate for the 2008/2009 year. For the remaining nine years it is assumed that the level of subsidy will increase in proportion to increased costs and that the percentage of subsidy to cost, in each category, will not change.
- Rate requirements for some new sewerage schemes have been calculated on a certain level of Sanitary Works Subsidy Scheme (SWSS) subsidies from Central Government. Any variance will have an impact on ratepayer input and/or affordability of the schemes.
- Ministry of Health subsidy will be received for the Blackball Water supply upgrade.
- Council has signalled the development of a coastal pathway (land transport section) between Greymouth and the Taramakau River. The recently completed scoping and preliminary design study indicates that the project would meet the relevant criteria to qualify for NZTA financial assistance. It has been assumed for the purposes of this plan that an application for NZTA funding would be successful and that the local share will be met from a mix of infrastructure reserves and/or other central government subsidies.

[2.7] devolutions of responsibility

For the purposes of this plan it is assumed that there will be no devolutions of responsibilities from Central Government to Local Government, particularly not without equivalent increase in funding.

[2.8] assumptions as to activities undertaken and levels of service provided

Council is assuming that the range of activities that it has signalled to undertake will not change.

Council is assuming that the levels of service to which its activities are provided will not change, except as a consequence of planned expenditure programmes mentioned in this plan. The reality is that any change to service level and/or activities undertaken may place the cost of existing funding requirements onto different sectors of the community and/or different communities in the District.

[2.9] activity management plans (amps)

Council is assuming that AMPs provide accurate assessments of the condition of assets and of the maintenance, renewal and capital expenditures required to achieve stated levels of service. The AMPs will be subject to continual update and a full review in 2011. Any changes will be incorporated into relative planning documents.

[2.10] fixed assets

[i] useful life

The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the statement of accounting policies. The useful lives are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers.

[ii] sources of funds for replacement

The funding of the replacement of future assets is based on the following assumptions:

- The funding for the replacement of any individual asset will be funded from the following sources in the following order of priority:

Specific reserves set aside for the purpose of replacing the asset(s).
From the current year's operating surplus, including any cash arising from the funding of depreciation.

Loan funding the balance of the expenditure, with a loan being the shorter of either a 30 year loan term (as described above) or the life of the asset.

- Depreciation is calculated based on the expected life of assets. This has been determined at the major asset class level rather than on a more detailed basis.

[iii] revaluation of fixed assets

Council revalues some classes of assets as outlined in the statement of accounting policies. The basis used for projecting future revaluation movements is the compounded relevant price adjustment index as outlined above.

[2.11] contract rates

Council is assuming that the re-tendering of major contracts will not result in cost increases other than those comparable to the rate of inflation included (as outlined above).

[2.12] resource consents

Council is assuming that the major resource consents that it needs for delivery of the services outlined in this plan will be obtained and granted with conditions that can be met within anticipated expenditure estimates.

[2.13] vesting assets

For the purposes of this Plan it has been assumed there will be vesting of assets in Council. This has been based on historical information. However it is noted that they are:

- beyond Council's control and their number and value are very difficult to predict,
- likely to be immaterial in the context overall asset values, and
- being brand new, unlikely to impose any significant extra costs from those generated from current AMPs over the life of this plan.

[2.14] port westland operations

At the time of preparing this plan Council is consulting on winding up Port Westland Limited (a 100% Council owned subsidiary). All assets have remained with Council since the inception of Port Westland Limited, so any winding up will not have a material effect on Council's balance sheet. All anticipated recoveries and costs of operating the Port of Greymouth have been included in this plan. It is assumed for the purposes of this plan that Port Westland Limited will be wound up by 01 July 2009.

[2.15] general commitments and contingencies

Council is not aware of any additional commitments or contingencies not already covered in this plan.

[2.16] sustainable development

The Council has considered the sustainability of each of its services and activities in its preparation of the Ten Year Plan and how the services it provides will meet the needs of the present and future generations, and how its activities will also protect and enhance the natural environment in the long term. The Council is required by the Local Government Act to take a sustainable development approach to providing for the social, economic, environmental and cultural wellbeing of communities. This involves taking account of the needs of people and communities now, the reasonably foreseeable needs of future generations, and the need to maintain and enhance the quality of the environment.

Taking a sustainable development approach is reflected in the way the Council plans for the District as well as in planning, funding and delivering its services. Financial sustainability, particularly in a time of economic uncertainty, is a core

concern of this Ten Year Plan. The Council has developed balanced budgets that aim to respond to the needs of today's community in an affordable way, while funding long term projects so that future generations pay their fair share. Sustainable development of the District is significantly influenced through the Environmental Services group of activities, most notably the District Plan. Council has a significant role in the provision and operation of key infrastructure resulting from subsequent development.

[2.17] effects of climate change

It is assumed that the climate change reports provided by the Intergovernmental Panel on Climate Change (IPCC) are reliable and provide a reasonable indication of what Council needs to consider in its planning processes. Based on the IPCC reports it is assumed that the sea level will rise by 0.5m over the next 100 years.

[2.18] emissions trading scheme

This Ten Year Plan has been prepared based on the broad scientific community view that human induced climate change through increased greenhouse gas emissions is occurring and may accelerate in the future. National and international efforts are underway to control emissions in response to agreements that the Government is a signatory to.

At present, while the new Government is reviewing the legislation on how emissions control will occur, the law passed in 2008 by the previous Government is operative and the Council is obliged to respond to that. The Council has a specific role in greenhouse gas emissions reduction as well as facilitating adaptation in its operations as well as by the community to the impacts of climate change.

Many of the climate change induced changes are likely to eventuate over the longer term and will occur beyond the ten-year horizon upon which the activities and their service levels are described in this Plan. They are, however, factors to be taken into account in maintaining the long term (i.e. up to 50 year) AMPs upon which programmes are funded through this Ten Year Plan.

Once the future form of the ETS is known, any implications for the District will be factored in to amendments to the Ten Year Plan, depending on the nature and scale of the changes.

Refer to section d:[2.1] price level adjustment above for the assumptions relating to price increases resultant from the introduction of an emissions trading scheme.

[3] risk assessment on key assumptions

| FORECASTING ASSUMPTION | LEVEL OF UNCERTAINTY | RISK ASSESSMENT (LOW/MED/HIGH) | REASONING FOR ASSESSMENT |
|-------------------------------------|--|--------------------------------|--|
| price adjustments | It is likely that the price increase assumptions that Council has adopted will in reality be different. | MED | <p>The risk that Year 1 assumptions turn out to be materially different is low, it is more likely that future years will be different. Subsequent annual budgets will be a thorough process including updating all assumptions as part of each annual plan process</p> <p>The Ten Year Plan has been prepared based on price level adjustments recommended by BERL, an economic forecasting agency. All financial estimates, unless explicitly stated, are stated in price adjusted terms. There are few realistic mitigation measures that the Council can take to address the effects of inflation. As it reviews its Ten Year Plan, the Council will consider the effects of price level changes and alter its future year projections accordingly. In the future, it is possible the Council may need to consider reviewing the level of service provided should the effect of price level adjustments exceed the ability of the community to afford the services provided.</p> |
| projected growth | It is likely that the population change assumptions that Council has adopted will in reality be different. | MED | <p>The Ten Year Plan has assumed growth will occur between the mid-high range of the NZ Statistics projections, which is the best information we have available, supplemented by knowledge of particular district developments. Capital expenditure and revenue forecasts have been based on these assumptions. The impact of capital expenditure is less significant. Most significant capital works include a growth component that will cater for changes in demand. If growth slows then expenditure will be deferred, or the asset will still have capacity. Many of the engineering solutions cater for growth up to 50 years out; however if growth is faster than forecast it may mean at some stage in the future upgrades may need to occur sooner than anticipated. This not considered a high risk.</p> <p>Of greater sensitivity is the impact on revenue forecasts. The Council has made assumptions about the number of ratepayers that are in the district to share the rating burden. If development occurs at different rates, then these projections will need to be amended. The Council will review growth rates whenever updated information is available and prior to every annual plan and Ten Year Plan. If there are significant changes in the trends then the forecasts will be amended accordingly.</p> |
| interest rates payable | will be higher/lower than forecast | MED | <p>This carries a moderate risk given the rate input that is required on most of the debt servicing. Council's liability management policy sets the parameters for the debt portfolio.</p> <p>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.</p> <p>Council has been conservative with interest rates payable at what it feels to be the most likely long term average, which will allow it to 'ride out' the shorter term peaks and troughs.</p> <p>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.</p> |
| refinancing terms | That borrowing facilities may not be available at the terms that Council has forecast. | LOW | <p>Council's plan forecast new borrowing required of approximately \$27 million. Taking into consideration the recent changes in the finance market, Council is of the opinion that these debt levels are still moderate, and with the security Council can offer that suitable financing facilities will be available.</p> |
| interest rate return on investments | will be higher/lower than forecast | LOW | <p>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.</p> |
| grants and subsidies | | MED | <p>NZTA financial assistance for roading maintenance, renewal, and new capital works represent a</p> |

| FORECASTING ASSUMPTION | LEVEL OF UNCERTAINTY | RISK ASSESSMENT (LOW/MED/HIGH) | REASONING FOR ASSESSMENT |
|-------------------------------|--|--------------------------------|---|
| | | | significant portion of the activity income (financial assistance rate between 62% - 72%). This has been confirmed for the 2009/2010 year. If there is any decrease in future years this will require Council to consider overall expenditure levels against what it deems to be affordable for the local community. |
| governance structure | may change | LOW | Any potential changes involve an extensive consultation process, that gives Council along with others necessary time to adapt. It is assumed any changes would only be motivated if the community benefited. |
| devolutions of responsibility | may occur | LOW | It is assumed any potential additional responsibilities being passed on to local authorities will include appropriate funding mechanisms outside of rates. |
| activity management plans | | LOW | Activities that account for a significant amount of Council expenditure and/or assets have had plans prepared to an advanced level, whilst other activities have been prepared to a basic level. The AMPs will be subject to continual update and a full review in 2011. Any changes will be incorporated into relative planning documents. |
| contract rates | | MED | This assumption is deemed to carry a moderate risk to the integrity of this plan, as it relies on private and public contractors outside of Council's control. |
| capital works cost | | MED | It is possible that the final costs will vary from that forecast in the Ten Year Plan should there be cost increases for service/materials outside of what we have forecast. If this does eventuate Council will need to re-evaluate affordability of individual projects. |
| effects of climate change | That the period of time that the climate change scenarios are projected to come into effect are much greater or less than what was provided for in the Long-term Council Community Plan. | LOW | Effects of climate change over 100 years will be more pronounced in terms of more frequent and greater magnitude adverse impacts from extreme weather events; and the effects of sea level rise will increase the rate of coast line cutback with adverse impacts on public and private property, and council infrastructure such as the roading and storm water networks. The Intergovernmental Panel on Climate Change (IPCC) is unequivocal that warming of the earth's climate system is occurring. However, there is still debate about the rate of change with international scientific research presenting many different scenarios. In May 2008, the Ministry for the Environment released a guidance document for Local Government, based on IPCC and the National Institute of Water and Atmospheric Research (NIWA). This document will be used, as was its predecessor, in Council planning. If the IPCC forecasts prove to be inaccurate, an overestimation may result in unnecessary works for the Council, however an underestimation could impact on the Council through emergency project works. Either scenario would affect ratepayers as infrastructure and hazard planning cost money. |
| emissions trading scheme | The amendments to the Emissions Trading Scheme are as yet unknown. Without more detail it is impossible to forecast what effect they will have on Council business. | LOW | Council has allowed for a price increase in years 2 to 3 of the plan, based on the legislation and best estimates known in 2008. Annual budgets are refined to update all assumptions as part of each annual plan process. |
| staffing | That sufficient staffing levels required by the plan cannot be maintained | MED | Council has in recent time struggled to attract employees for key vacant positions. Any continuing long term issues will be addressed by re-prioritising projects with full public consultation. |
| major adverse event | | MED | No specific provision is included in the Ten Year Plan, although Civil Defence training is provided for and there are risk management plans for key infrastructure assets The Council insures its infrastructure and other assets. |

[4.2] prospective statement of changes in equity

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------------|---|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 300,082 | Equity at the beginning of the year | 300,858 | 303,469 | 333,627 | 340,232 | 340,395 | 375,205 | 372,712 | 370,413 | 397,269 | 395,890 |
| 776 | Total comprehensive income | 2,611 | 30,158 | 6,605 | 163 | 34,810 | (2,493) | (2,299) | 26,856 | (1,379) | (2,267) |
| 776 | Total recognised income/(expense) for the year | 2,611 | 30,158 | 6,605 | 163 | 34,810 | (2,493) | (2,299) | 26,856 | (1,379) | (2,267) |
| 300,858 | Balance at 30 June | 303,469 | 333,627 | 340,232 | 340,395 | 375,205 | 372,712 | 370,413 | 397,269 | 395,890 | 393,623 |

[4.3] prospective balance sheet

| Adopted Budget 2008/2009 \$000 | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | ASSETS | | | | | | | | | |
| | Current Assets | | | | | | | | | |
| 6,975 | 6,428 | 3,449 | 2,783 | 1,707 | 1,850 | 2,237 | 2,556 | 3,582 | 4,222 | 4,957 |
| 1,777 | 3,291 | 3,570 | 4,608 | 3,772 | 4,004 | 3,563 | 3,566 | 3,723 | 3,931 | 3,941 |
| 997 | 469 | 1,048 | 1,048 | 1,835 | 1,678 | 1,313 | 1,319 | 1,125 | 982 | 961 |
| 960 | 576 | 346 | 208 | 166 | 115 | 109 | 104 | 99 | 94 | 89 |
| 10,709 | 10,764 | 8,413 | 8,647 | 7,480 | 7,647 | 7,222 | 7,545 | 8,529 | 9,229 | 9,948 |
| | Non Current Assets | | | | | | | | | |
| 302,399 | 307,177 | 342,879 | 352,470 | 360,150 | 397,223 | 393,836 | 390,817 | 415,880 | 412,945 | 413,741 |
| 2,065 | 1,765 | 1,206 | 1,081 | 632 | 623 | 980 | 1,056 | 1,256 | 1,379 | 1,557 |
| 304,464 | 308,942 | 344,085 | 353,551 | 360,782 | 397,846 | 394,816 | 391,873 | 417,136 | 414,324 | 415,298 |
| 315,173 | 319,706 | 352,498 | 362,198 | 368,262 | 405,493 | 402,038 | 399,418 | 425,665 | 423,553 | 425,246 |
| | LIABILITIES | | | | | | | | | |
| | Current Liabilities | | | | | | | | | |
| 2,600 | 1,983 | 2,317 | 2,657 | 2,515 | 2,232 | 1,694 | 1,728 | 1,748 | 1,872 | 2,232 |
| 314 | 334 | 344 | 364 | 382 | 395 | 407 | 419 | 432 | 445 | 458 |
| 90 | 92 | 94 | 96 | 98 | 100 | 102 | 104 | 106 | 108 | 110 |
| 1,026 | 2,560 | 3,013 | 3,554 | 4,753 | 5,285 | 5,192 | 5,113 | 4,979 | 4,799 | 5,511 |
| 4,030 | 4,969 | 5,768 | 6,671 | 7,748 | 8,012 | 7,395 | 7,364 | 7,265 | 7,224 | 8,311 |
| | Non Current Liabilities | | | | | | | | | |
| 770 | 785 | 801 | 817 | 833 | 850 | 867 | 884 | 902 | 920 | 938 |
| 277 | 241 | 249 | 263 | 276 | 285 | 294 | 303 | 312 | 322 | 331 |
| 9,238 | 10,242 | 12,053 | 14,215 | 19,010 | 21,141 | 20,770 | 20,454 | 19,917 | 19,197 | 22,043 |
| 10,285 | 11,268 | 13,103 | 15,295 | 20,119 | 22,276 | 21,931 | 21,641 | 21,131 | 20,439 | 23,312 |
| 14,315 | 16,237 | 18,871 | 21,966 | 27,867 | 30,288 | 29,326 | 29,005 | 28,396 | 27,663 | 31,623 |
| | EQUITY | | | | | | | | | |
| 207,669 | 209,914 | 215,834 | 223,464 | 225,110 | 226,125 | 223,140 | 220,654 | 218,122 | 216,020 | 213,149 |
| 12,958 | 13,311 | 9,921 | 8,883 | 7,387 | 7,755 | 8,233 | 8,406 | 9,486 | 10,194 | 10,783 |
| 630 | 643 | 656 | 669 | 682 | 696 | 710 | 724 | 738 | 753 | 768 |
| 79,601 | 79,601 | 107,216 | 107,216 | 107,216 | 140,629 | 140,629 | 140,629 | 168,923 | 168,923 | 168,923 |
| 300,858 | 303,469 | 333,627 | 340,232 | 340,395 | 375,205 | 372,712 | 370,413 | 397,269 | 395,890 | 393,623 |
| 315,173 | 319,706 | 352,498 | 362,198 | 368,262 | 405,493 | 402,038 | 399,418 | 425,665 | 423,553 | 425,246 |

[4.4] prospective statement of cash flows

| Adopted Budget 2008/2009 \$000 | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | |
| 10,961 | 11,418 | 12,155 | 12,909 | 13,637 | 14,247 | 14,813 | 15,249 | 16,023 | 16,471 | 16,828 |
| 914 | 697 | 642 | 452 | 357 | 276 | 273 | 281 | 300 | 330 | 353 |
| 4 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| 7,524 | 10,567 | 11,684 | 16,713 | 12,298 | 13,269 | 10,806 | 10,618 | 11,030 | 11,839 | 11,699 |
| (11,354) | (13,366) | (14,258) | (15,014) | (15,638) | (16,325) | (16,695) | (17,172) | (17,829) | (18,402) | (18,879) |
| (783) | (755) | (947) | (1,382) | (1,297) | (1,765) | (1,983) | (1,952) | (1,913) | (1,859) | (2,141) |
| - | - | - | - | - | - | - | - | - | - | - |
| 7,266 | 8,563 | 9,278 | 13,680 | 9,359 | 9,704 | 7,216 | 7,027 | 7,614 | 8,382 | 7,863 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| 850 | 670 | 495 | 391 | 276 | 268 | 207 | 192 | 349 | 334 | 344 |
| 30,300 | 25,152 | 16,163 | 13,920 | 8,538 | 9,750 | 10,441 | 10,713 | 13,105 | 14,648 | 15,638 |
| (17,392) | (12,185) | (15,101) | (18,312) | (16,318) | (12,647) | (6,475) | (6,500) | (6,211) | (7,151) | (10,780) |
| (28,000) | (25,285) | (16,078) | (13,048) | (8,925) | (9,595) | (10,538) | (10,718) | (13,160) | (14,673) | (15,888) |
| (14,242) | (11,648) | (14,521) | (17,049) | (16,429) | (12,224) | (6,365) | (6,313) | (5,917) | (6,842) | (10,686) |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | |
| 1,832 | 2,788 | 4,525 | 4,892 | 6,460 | 3,191 | 268 | 358 | 168 | 33 | 4,598 |
| (177) | (250) | (2,261) | (2,189) | (466) | (528) | (732) | (753) | (839) | (933) | (1,040) |
| 1,655 | 2,538 | 2,264 | 2,703 | 5,994 | 2,663 | (464) | (395) | (671) | (900) | 3,558 |
| (5,321) | (547) | (2,979) | (666) | (1,076) | 143 | 387 | 319 | 1,026 | 640 | 735 |
| 12,296 | 6,975 | 6,428 | 3,449 | 2,783 | 1,707 | 1,850 | 2,237 | 2,556 | 3,582 | 4,222 |
| 6,975 | 6,428 | 3,449 | 2,783 | 1,707 | 1,850 | 2,237 | 2,556 | 3,582 | 4,222 | 4,957 |

[4.5] notes to the prospective financial statements

[1] rates income

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | GENERAL RATES | | | | | | | | | | |
| 4,907 | General Rate | 5,094 | 5,304 | 5,581 | 5,886 | 6,134 | 6,493 | 6,666 | 7,093 | 7,244 | 7,279 |
| 2,047 | Uniform Annual General Charge | 2,066 | 2,193 | 2,312 | 2,467 | 2,621 | 2,677 | 2,749 | 2,819 | 2,905 | 2,984 |
| | TARGETED RATES | | | | | | | | | | |
| 201 | District Promotion | 209 | 207 | 229 | 215 | 216 | 219 | 221 | 224 | 227 | 230 |
| 662 | Refuse Collection | 757 | 848 | 901 | 931 | 962 | 994 | 1,026 | 1,137 | 1,209 | 1,285 |
| 1,324 | Water Supplies | 1,371 | 1,414 | 1,584 | 1,662 | 1,725 | 1,747 | 1,803 | 1,886 | 1,914 | 1,973 |
| 258 | Water Meter Rates | 275 | 285 | 303 | 313 | 323 | 333 | 345 | 356 | 368 | 380 |
| 1,465 | Sewerage Collection | 1,647 | 1,845 | 1,935 | 2,092 | 2,180 | 2,257 | 2,328 | 2,425 | 2,485 | 2,567 |
| | PENALTIES | | | | | | | | | | |
| 114 | Rate Penalties | 122 | 126 | 133 | 137 | 141 | 145 | 150 | 154 | 159 | 163 |
| 10,978 | Total rates revenue | 11,541 | 12,222 | 12,978 | 13,703 | 14,302 | 14,865 | 15,288 | 16,094 | 16,511 | 16,861 |
| | RATES REMITTED ARE AS FOLLOWS: | | | | | | | | | | |
| - | Rates on land where GDC is the ratepayer | - | - | - | - | - | - | - | - | - | - |
| (26) | Rate discounts | (27) | (28) | (30) | (31) | (32) | (32) | (33) | (34) | (35) | (37) |
| (40) | Rates remitted per Council policy | (31) | (32) | (34) | (35) | (36) | (37) | (38) | (39) | (40) | (42) |

[2] other revenue

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 1,559 | User charges and miscellaneous | 2,188 | 2,287 | 2,409 | 2,584 | 2,865 | 2,693 | 2,800 | 3,075 | 3,151 | 3,219 |
| 1,423 | Regulatory income | 1,470 | 1,516 | 1,603 | 1,651 | 1,700 | 1,751 | 1,803 | 1,857 | 1,913 | 1,971 |
| 3,482 | New Zealand Transport Agency subsidies | 3,862 | 5,095 | 6,465 | 5,798 | 5,769 | 4,736 | 4,900 | 5,069 | 5,907 | 5,425 |
| 747 | Other grants and subsidies | 3,767 | 2,794 | 6,861 | 974 | 2,680 | 655 | 660 | 665 | 672 | 677 |
| 918 | Interest received | 684 | 630 | 415 | 338 | 259 | 273 | 282 | 304 | 336 | 358 |
| - | Dividends | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| - | Subdivision reserve contributions | 104 | 107 | 114 | 118 | 122 | 126 | 130 | 134 | 139 | 143 |
| 139 | Lump sum contributions | 64 | 109 | 267 | 290 | 327 | 352 | 288 | 312 | 219 | 236 |
| 8,268 | Total other income | 12,141 | 12,540 | 18,136 | 11,755 | 13,724 | 10,588 | 10,866 | 11,419 | 12,340 | 12,032 |

[3] other gains/(losses)

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 231 | Net gain (loss) of non current assets held for sale | 215 | 172 | 139 | 70 | 33 | - | - | - | - | - |
| 77 | Net gain (loss) on sale of property plant and equipment | 71 | 93 | 114 | 164 | 184 | 201 | 187 | 344 | 329 | 339 |
| 308 | Total other gains/(losses) | 286 | 265 | 253 | 234 | 217 | 201 | 187 | 344 | 329 | 339 |

[4] income by activity

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 5,814 | Roading | 6,551 | 7,767 | 9,675 | 9,054 | 9,179 | 8,057 | 8,275 | 8,814 | 9,647 | 9,062 |
| 567 | Stormwater & Flood Protection | 516 | 535 | 570 | 600 | 619 | 667 | 704 | 737 | 764 | 776 |
| 1,894 | Sewerage | 4,161 | 4,352 | 6,909 | 2,474 | 4,306 | 2,651 | 2,660 | 2,782 | 2,751 | 2,852 |
| 1,582 | Water Supply | 2,413 | 1,699 | 1,887 | 1,975 | 2,048 | 2,080 | 2,148 | 2,242 | 2,282 | 2,353 |
| 1,202 | Solid waste management | 1,434 | 1,635 | 1,723 | 1,773 | 1,845 | 1,877 | 1,930 | 2,137 | 2,264 | 2,451 |
| 152 | Emergency management | 172 | 179 | 193 | 197 | 209 | 215 | 229 | 239 | 245 | 245 |
| 2,123 | Environmental services | 2,209 | 2,275 | 2,435 | 2,527 | 2,614 | 2,662 | 2,737 | 2,812 | 2,911 | 2,990 |
| 503 | Other transport | 706 | 716 | 765 | 814 | 828 | 832 | 854 | 1,084 | 1,079 | 1,121 |
| 736 | Property and housing* | 731 | 761 | 1,906 | 882 | 902 | 911 | 930 | 944 | 982 | 991 |
| 2,599 | Community facilities and events | 2,923 | 2,891 | 3,072 | 3,211 | 3,404 | 3,465 | 3,541 | 3,630 | 3,740 | 3,847 |
| 2,281 | Democracy and administration* | 2,036 | 2,098 | 2,107 | 2,057 | 2,158 | 2,102 | 2,195 | 2,295 | 2,370 | 2,396 |
| 101 | Liaison with other Agencies | 116 | 119 | 125 | 128 | 131 | 135 | 138 | 141 | 145 | 148 |
| 19,554 | Total Income | 23,968 | 25,027 | 31,367 | 25,692 | 28,243 | 25,654 | 26,341 | 27,857 | 29,180 | 29,232 |

*Figures shown have been adjusted for internal charges recovered

[5] expenditure by activity

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------------|---------------------------------|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| (6,439) | Roading | (6,978) | (7,271) | (7,972) | (8,106) | (8,267) | (8,861) | (8,978) | (9,122) | (9,762) | (9,891) |
| (761) | Stormwater & Flood Protection | (821) | (842) | (934) | (949) | (958) | (1,041) | (1,055) | (1,072) | (1,147) | (1,149) |
| (1,164) | Sewerage | (1,297) | (1,645) | (2,116) | (2,261) | (2,895) | (3,264) | (3,275) | (3,314) | (3,376) | (3,387) |
| (1,574) | Water Supply | (1,550) | (1,634) | (1,843) | (1,953) | (2,000) | (2,064) | (2,104) | (2,170) | (2,228) | (2,275) |
| (1,251) | Solid waste management | (1,461) | (1,672) | (1,752) | (1,792) | (1,833) | (1,876) | (1,919) | (1,964) | (2,009) | (2,547) |
| (151) | Emergency management | (168) | (175) | (193) | (199) | (212) | (224) | (235) | (242) | (249) | (258) |
| (2,184) | Environmental services | (2,169) | (2,237) | (2,402) | (2,497) | (2,582) | (2,640) | (2,718) | (2,797) | (2,900) | (2,984) |
| (578) | Other transport | (1,278) | (1,276) | (1,308) | (1,329) | (1,340) | (1,358) | (1,378) | (1,410) | (1,423) | (1,439) |
| (891) | Property and housing* | (800) | (826) | (1,027) | (1,057) | (1,074) | (1,140) | (1,135) | (1,151) | (1,239) | (1,236) |
| (2,367) | Community facilities and events | (3,144) | (3,129) | (3,308) | (3,438) | (3,623) | (3,671) | (3,751) | (3,873) | (4,001) | (4,097) |
| (1,712) | Democracy and administration* | (1,739) | (1,827) | (1,961) | (2,005) | (2,122) | (2,070) | (2,157) | (2,248) | (2,295) | (2,310) |
| (101) | Liaison with other Agencies | (116) | (119) | (125) | (128) | (131) | (135) | (138) | (141) | (145) | (148) |
| (19,173) | Total Expenditure | (21,521) | (22,653) | (24,941) | (25,714) | (27,037) | (28,344) | (28,843) | (29,504) | (30,774) | (31,721) |

*Figures shown have been adjusted for internal charges recovered

[5] statement of accounting policies

[5.1] reporting entity

Grey District Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

Council has one subsidiary, Port Westland Limited (100% owned) and has one associate, Tourism West Coast (25% controlled).

The financial forecasts reflect the operations of the Grey District Council but do not include the consolidated results of the group.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The prospective financial statements of Council were authorised for issue by Council on 30 June 2009.

[5.2] basis of preparation

This forecast information has been prepared and complies with Section 111 of the Local Government Act 2002, and New Zealand International Financial Reporting Standards (NZIFRS), as appropriate for Public Benefit Entities

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the LTCOP is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and certain financial instruments.

The prospective 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 Statement of Comprehensive Income

The preparation of prospective financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below will be applied consistently to all periods presented in these prospective financial statements.

Council and Management of the Grey District Council are responsible for the preparation of the prospective financial statements.

The prospective financial statements have been prepared in accordance with financial reporting standard 42.

[5.3] accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cashflows for Council have been applied:

[1] revenue

Revenue Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is measured at fair value of consideration received.

Rates Revenue Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rate revenue is recognised when payable.

[i] interest

Interest income is recognised using the effective interest method.

[ii] grants and subsidies

Grants and subsidies are recognised as revenue when eligibility is established (reasonable assurance that the grant or subsidy will be received and the GDC will comply with all the conditions) and is recognised at their fair value. The Council receives government grants from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

[iii] goods and services

Revenue from the sale of goods and services is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer or the obligation to pay arises or in the case of Licence fees, upon renewal of the licence. The revenue recorded is the gross amount of the sale, including fees payable for the transaction. Such fees are included in other expenses.

[iv] services rendered

Revenue from services rendered is recognised in the Statement of Comprehensive Income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

[v] dividends

Dividend income is recognised when the right to receive payment has been established.

[vi] vested assets

When a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

[2] borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council does not capitalise borrowing costs associated with funding capital works in progress which represents a departure from NZIAS 23 Borrowing Costs. However, this is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZIAS 23 for public benefit entities.

[3] derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. Movement in the fair value in interest rate swaps are recognised as a finance expense/income through the income statement.

[4] 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.

[5] income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

[6] leases

[i] 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 balance sheet 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.

[ii] 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.

[7] 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 balance sheet.

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.

[8] financial assets

Council classifies its financial assets into the following four 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 profit and loss in which case the transaction costs are recognised in the income statement.

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 Statement of Comprehensive Income 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:

[i] 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 income statement. Loans and receivables are classified as "trade and other receivables" in the balance sheet.

[ii] 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 income statement.

Investments in this category include fixed term deposits.

[iii] Financial assets at fair value through the profit and loss

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 remeasurement are recognised in the income statement. 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.

[iv] Financial assets at fair value through equity are those that are 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 equity except for impairment losses, which are recognised in the income statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Statement of Comprehensive Income even though the asset has not been derecognised.

Impairment of financial assets

At each balance sheet date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement.

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.

[9] accounts receivable

Accounts Receivable (Debtors) are shown at their estimated realisable value after providing against debts where collection is doubtful.

[10] 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.

[11] property, plant and equipment

Property, plant and equipment consists of:

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.

Other fixed assets — these include land, buildings, and breakwater and wharves.

Property, plant and equipment is 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.

[i] 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 at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

[ii] 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 income statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

[iii] 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.

[iv] 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 | 2.5 |
| - Fit Out | Straight line | 15 | 6.5 |
| - Services | Straight line | 18 | 5.5 |
| Aerodrome | Straight line | 3 – 60 | 1.7 – 33.3 |
| 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 |

| Asset Class | Depreciation Method | Life (years) | % |
|---------------------------------------|---------------------|--------------|-------------|
| Water supply systems | | | |
| - Pipe network | Straight line | 50 – 80 | 1.25 – 2 |
| - Pumps and electrical | Straight line | 10 – 60 | 1.67 – 10 |
| - Reservoirs | Straight line | 60 – 80 | 1.25 – 1.67 |
| Drainage and sewerage | | | |
| - Pipe network | Straight line | 50 – 80 | 1.25 – 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 – 2.5 |
| - Pavement structure – unsealed | Straight line | 3 – 22 | 4.5 – 33 |
| - Pavement surfacing | Straight line | 2 – 16 | 6.25 – 50 |
| - Kerb and channeling | Straight line | 50 – 150 | 0.67 – 2 |
| - Bridges | Straight line | 15 – 100 | 1 – 6.67 |
| - Footpaths | Straight line | 15 – 50 | 2 – 6.67 |
| - Drainage: surface water channels | Straight line | 10 – 80 | 1.25 – 10 |
| - Drainage: culverts and catchpits | Straight line | 50 – 150 | 0.67 – 2 |
| - Traffic signs and pavement marking | Straight line | 5 – 15 | 6.67 – 20 |
| Flood protection scheme | Straight line | 100 | 1 |
| Parking developments | Straight line | 50 | 2 |
| Sportsfields 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.

[v] 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.

[vi] 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 | Estimated value |
| Sportsfields and parks | Deemed Cost |
| Heritage assets | Deemed Cost |

[vii] 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 income statement.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

[viii] revaluation

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.

[12] 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 income statement.

[13] impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

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 income statement.

For assets not carried at a revalued amount, the total impairment loss is recognised in the income statement.

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 income statement, a reversal of the impairment loss is also recognised in the income statement.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the income statement.

[14] employee benefits

[i] 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.

[ii] 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 7.0% and an inflation factor of 3.0% 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.

[15] 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.

[i] landfill post closure costs

Council has a legal obligation under the Resource Consent to provide ongoing 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 rate applied is 7% which represents the risk free discount rate.

[16] borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

[17] 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.

[18] 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 balance sheet.

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.

[19] budget figures

The budget figures are those approved by Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

[20] 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.

[21] critical accounting estimates and assumptions

Please refer to section d:[2] key assumptions applied in the preparation of this plan, page 124 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:

[i] infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. 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 Income Statement. 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 perform Council's infrastructural asset revaluations.

[ii] 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:

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.

classification of leases

If Council is the lessor on a lease which include terms where the lessee can extend the lease into perpetuity, then Council will determine that the risks and rewards of ownership of the assets have transferred to the lessee and therefore will classify the leases as finance leases.

classification of property

Council's leasehold property has been classified as "non current assets held for sale" (prior GAAP was classified as property, plant and equipment). This is due to the fact that Council is actively encouraging the sale of these properties at a reasonable price and they are available for immediate sale. Council remains committed to selling these properties even if it takes more than a year and it is probable that they will be sold.

[22] cost of service statements

The Cost of Service Statements, as provided in the Group of Activities, 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.

[23] statement of cashflows

The following are the definitions of terms used in the statement of cashflows:

"Operating Activities" include cash received from all income 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.

[24] new standard and interpretation issued and not yet adopted

None

[6] statement concerning balancing the budget

[1] overview of financial responsibilities

A local authority is required under the Local Government Act 2002 to ensure that, for each year, its projected operating revenues are set at a level sufficient to meet that year's projected operating expenses, i.e. is Council forecasting a loss for any years. The following table shows Council's forecast operating surplus/(deficit) for each year of the plan as well as identifying the main activities that contribute to the forecast losses. We then go on to give further detail on Council's rationale to set budgets that run at a loss, the implications of such a strategy and what the alternatives are.

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|--|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 381 | Annual operating surplus/ (deficit) | 2,447 | 2,374 | 6,426 | (22) | 1,206 | (2,690) | (2,502) | (1,647) | (1,594) | (2,489) |
| | MAIN ACTIVITIES THAT HAVE OPERATING DEFICIT | | | | | | | | | | |
| (625) | Roading surplus/ (deficit) | (427) | 496 | 1,703 | 948 | 912 | (804) | (703) | (308) | (115) | (829) |
| (194) | Stormwater and flood protection surplus/ (deficit) | (305) | (307) | (364) | (349) | (339) | (374) | (351) | (335) | (383) | (373) |
| - | Port operating deficit | (576) | (553) | (536) | (519) | (505) | (518) | (529) | (314) | (331) | (321) |

The act requirements relate to Council's overall forecast financial performance, i.e. the total of all the activities funding and expenditure. As can be seen above not all years are forecast to run at a deficit. However those activities as identified as the main contributors to the deficit run at fairly consistent deficits year to year. Council considers that it is more appropriate and transparent to focus on the issues facing these activities, rather than solely focus on the years a deficit is forecast.

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. So why do Council still forecast deficits in some years? Our forecast statement of comprehensive income, which forecast the annual surplus or deficit, includes depreciation expense. It does not include the costs of replacing assets or creating new assets as this is classed as capital expenditure.

Assets are created from expenditure where the benefit extends beyond a year. For example, if Council replaces a bridge at a cost of \$1 million dollars, the \$1 million dollars would show as renewal capital expenditure, and not operating expenditure. The bridge will decrease in value as it is used from year to year, and if it had a life of 100 years it would decrease by \$10,000 each year. This amount of \$10,000 it decreases each year is the depreciation expense. It is a logical argument that each year the community receive \$10,000 of benefit from having the bridge available for use.¹

Council is responsible for many assets that have a long useful life, for example pipes and bridges can be expected to have a useful life of 100 years. There can be therefore a great time difference between funding the annual depreciation for a particular asset and its replacement. Revenue raised to fund depreciation expense can be allocated to fund that current year's capital expenditure (new and renewal), repay term debt, or transferred to a reserve to fund future asset replacement. Where activities are forecast to run at a loss Council is not fully funding the depreciation expense. As referred to above the annual depreciation is a fair allocation of the benefit derived from using an asset in any one year. Therefore any unfunded depreciation will mean that Council will have to in the future:

- increase revenue in the future to replace assets (rates and/or other sources); or
- not replace the assets, or
- replace with an asset with reduced capacity (reduced level of service)

¹ note that Council revalues its major assets regularly to ensure that their carrying value is relevant to current replacement costs, and therefore the annual depreciation expense is also relevant to current replacement costs.

[2] council's financial strategy for this plan

Council's overriding financial strategy is focused on providing affordable services and to pass on general rate increases no greater than the general rate of inflation. Council recognises that the average income earned in the Grey District is less than the national average. Also the district has a higher proportion of the population over the age of 65 than the national average (refer section a:[6] the grey district today and going forward, page 15). This has been the strategy of the past four years and is considered even more appropriate to continue with given the current economic climate.

For the purposes of this plan it has set its revenue at a level to cover the operational and maintenance expenditure (excluding depreciation) and a level to replace those assets that is required to maintain the level of service as outlined in the plan. It is decision made with the full knowledge that revenue levels will have to increase in the future, beyond the life of this plan, to generate the funds required to replace assets.

Council can set projected operating revenues at a level that is not sufficient to meet projected operating expenses if it resolves it is financially prudent to do so, taking specifically into regard (refer section 100 of Local Government Act 2002):

- (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under section 102 (being the following policies contained in volume 2)
 - revenue and financing policy; and
 - liability management policy; and
 - investment policy; and
 - policy on development contributions or financial contributions; and
 - policy on partnerships between the local authority and the private sector; and
 - policy on the remission and postponement of rates on Maori freehold land.
 - rates remission policy:

Council has decided on this strategy as the most appropriate, given it has a primary focus of rates affordability and constraining increases to a minimum. It is also noted that:

- the operating deficits forecast are not cash deficits
- Council's solvency is not in question
- Whilst increased borrowing is forecast to fund new projects, total borrowing remains within the limits of Council's policy.
- Forecast interest payments on debt are well within the Liability Management Policy limits
- Adequate provision has been made for maintenance and renewals for this plan, to meet the service levels proposed and maintain the integrity of assets

Whilst Council has decided this is appropriate for the purposes of this plan, the reality is that the funding will need to be phased in the future if the intention is to replace all assets currently used. To this end Council will continue to assess and monitor the level of funding required for funding the depreciation of its infrastructural assets, paying particular focus to those assets that need replacing beyond the life of this plan, and look at developing appropriate strategies for funding their respective replacement. The total depreciation not funded for the first 3 years of this plan is approximately \$1.4 million, and over the life of this plan is \$8.8 million. Council's and therefore communities beyond the life of this plan will face tough decisions on how to fund these asset replacements. The impact of this will become evident as Council formulates its next Long Term Plan in a further 3 years.

[3] rationale for specific financial strategy for activities that have forecast losses and implications thereof

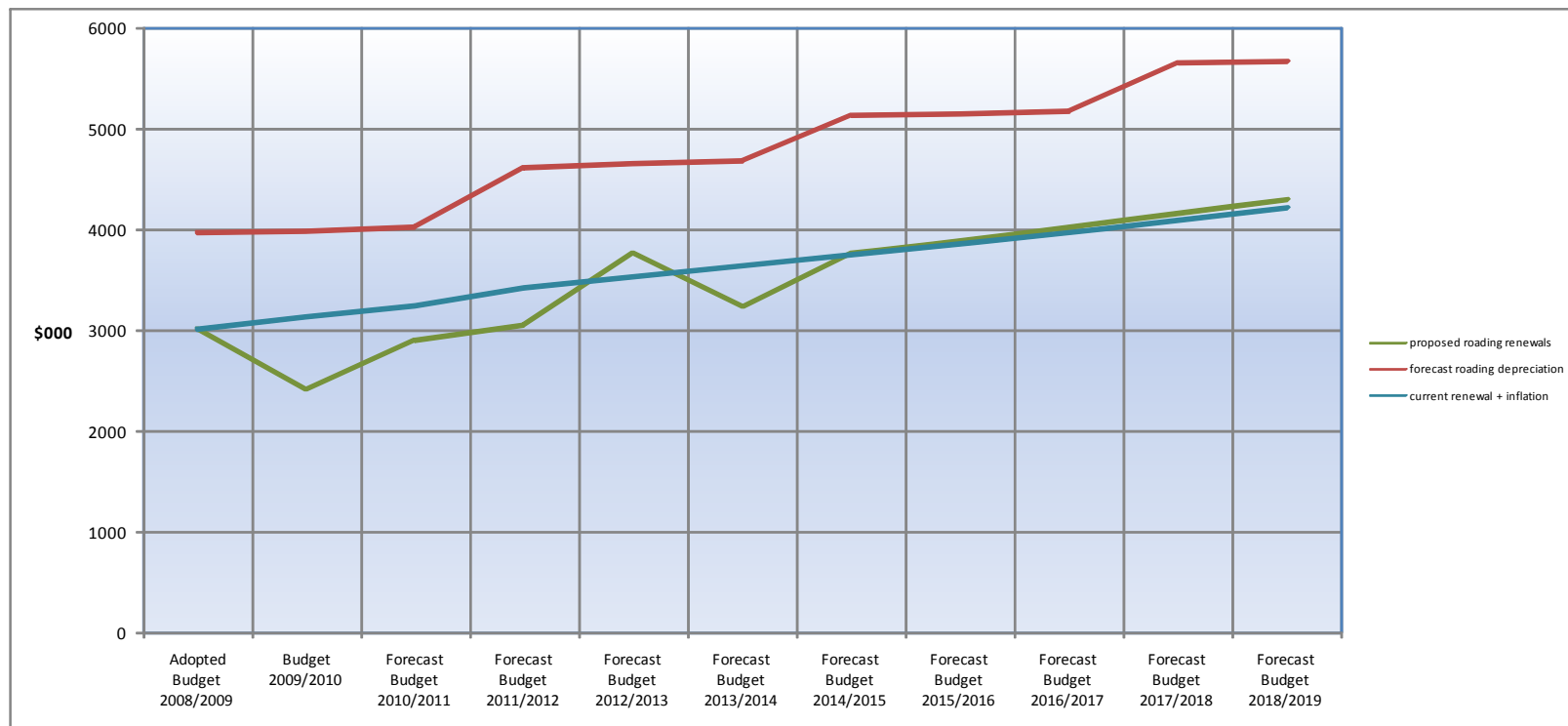
[i] roading

The main reason that roading is forecast to run at a loss is that depreciation expense is significantly higher than the level of renewals. Council currently sets revenue at a level to cover actual money spent year to year, i.e. this plan signals that Council will spend less on renewing roads than the level the assets decrease in value. It is noted that over the last 10 years roading construction costs have increased rapidly, particularly on the West Coast. This has meant that Council's value of the roading network has also increased markedly as it values the asset based on the current cost of replacing it. The annual depreciation for roading forecast for 2009/2010 in this plan is over double the annual roading depreciation 10 years ago (i.e. 10

years ago annual depreciation was less than \$2 million per annum, and it is forecast at over \$4 million for 2009/2010). This equates to an average annual increase in depreciation of over 7%. Council has not increased its investment in renewing and replacing assets at an equivalent level, hence there has been an increasing gap between the level of depreciation expense and level of funds raised for renewal work.

The following graph illustrates the difference between the depreciation expense and renewal works over the life of this plan, and given that Council is only raising revenue to fund the green line the difference between the two results in 'un-funded' expenditure. The blue line represents a theoretical indication of what the current level of renewals would cost if the cost of inflation was added on top for each relevant year (per Council's price increase assumptions).

- analysis of annual roading depreciation expense compared with proposed renewals



The funding gap is approximately \$1 million dollars per annum, however it is noted that the majority of the renewal work would qualify for financial assistance from New Zealand Transport Agency. The rate input to fund the equivalent of \$1 million of renewals would be approximately \$380,000. The implications of this approach are:

- the assets will require replacement in the future, if they are to be retained. Alternatively future Council's may need to consider not replacing assets (i.e. not resealing some roads or replacing some bridges with fords).
- The costs of replacing these assets will have to be met by an increase in revenue in the future shared between:
 - financial assistance from NZ Transport Agency; and
 - general rates. Ratepayers at the time could argue that they are paying for more than their fair share.
 - other sources, such as transfer from special funds.

As referred to above in the overview, a lot of the assets Council is responsible for have a useful lives well beyond the life of this plan, i.e. up to 100 years. For example bridges, which alone accounts for over 15% of the depreciation expense have estimated useful lives of:

| Structure | Useful Life |
|-----------|-------------|
| Concrete | 100 years |
| Steel | 75 years |
| Timber | 50 years |

The majority of Council's bridges have remaining useful lives of between 40 and 90 years, i.e. they will not need replacing until between the years 2049 and 2099.

The other major component of the roading depreciation expense is the sealed pavement structure and surfacing of Council's roads (approximately 47% of the depreciation expense). Reseals take place on average every 10 years and reconstruction work every 25 years. Therefore the level of renewal work required stays reasonably constant. Whilst renewal of roads is continued throughout this plan it is signalled that the overall condition of the roading network will have a deterioration on the network overall. At the time of the last condition review the condition of Council's roading network was better than the national average. However since this time the trend nationally was an improvement in overall condition, and given the predicted decrease of Council's network it is likely the condition will reach average to below average over the life of this plan. This is reflected in proposed levels of service for the roading activity (refer section c:[1] land transport, page 41) where maintenance response times will increase as the overall condition decreases.

Whilst the majority of bridge renewal expenditure will not be incurred until post 2049, the level of required renewal work required for pavement structure and sealing will increase from 2019 onwards.. This plan signals approximately \$2.4 million of unfunded pavement structure and surfacing depreciation, which would require approximately \$0.9 million of rate input. It is expected this expenditure will be incurred shortly after 2019, in addition to the level of renewals included in this plan. It is reiterated that this plan signals NO intention to set any funds aside for this increasing renewal work.

Council has decided to fund only the actual renewal work carried out due to concerns over affordability, particularly in the current economic climate. Whilst this is not an equitable spread of funding Council has decided it is more appropriate at this time to not raise money that does not need to be spent during the life of this plan. This is done in the full knowledge that an increase in funding will be required in the future, at an amount that equates to a general rate increase of 5.5%. That is, that Council acknowledges that the current strategy for the roading activity is not a long term financially sustainable approach if the current levels of service are to be maintained for the long term. The longer Council continues with this strategy the more 'unfunded expenditure' will accumulate (i.e. at approximately \$380,000 per annum).

The alternative (i.e. to set a full funded budget) is to collect additional revenue over the life of this plan, and to set aside the funds not immediately required for future roading renewals. This would have the financial impact on this plan as follows (this is based on increasing funding by \$50,000 in year 4, and an additional \$50,000 each subsequent year until the budget is balanced in approximately 2019/2020).

general rates as signalled in this plan

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| general rates as forecast in this plan | (7,160,190) | (7,497,040) | (7,893,045) | (8,352,625) | (8,755,328) | (9,170,950) | (9,415,452) | (9,911,697) | (10,148,841) | (10,263,567) |
| % increase as forecast in this plan | 2.96% | 4.70% | 5.28% | 5.82% | 4.82% | 4.75% | 2.67% | 5.27% | 2.39% | 1.13% |

general rates as signalled in this plan plus additional roading funding

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| indicative general rates with additional roading funding allocated | (7,160,190) | (7,497,040) | (7,893,045) | (8,402,625) | (8,855,328) | (9,320,950) | (9,615,452) | (10,161,697) | (10,448,841) | (10,613,567) |
| % increase with additional roading funding allocated | 2.96% | 4.70% | 5.28% | 6.46% | 5.39% | 5.26% | 3.16% | 5.68% | 2.83% | 1.58% |

This would increase the average general rate increase from 3.85% to 4.20%. This is the level of funding that Council will eventually have to achieve to maintain current levels of service in the long term.

As already stated, Council believes the signalled approach is appropriate for the purposes and length of this plan, however encourages public feedback an indication of preference on the issue.

[ii] stormwater and flood protection

The stormwater and flood protection group of activities forecast unfunded depreciation at an average annual value of \$183,000. The majority of this is a result of:

- \$53,000 of annual depreciation expense for Greymouth floodwall not funded as this Council is not responsible for its capital maintenance or replacement
- Approximately \$100,000 per annum of work is funded from reserves (infrastructure renewal reserve), which is a capital source of funds and does not show as revenue. The infrastructure renewal reserve is currently funded annually by Council in excess of this amount of \$100,000, and this annual funding of the infrastructural renewal reserve is funded from the Uniform Annual General Charge.

In addition to this the Greymouth Sewerage scheme involves laying dedicated sewerage pipes, and those pipes that were previously used for both stormwater and sewerage become dedicated stormwater pipes. The result is there is currently not as much renewal work required in the Greymouth area.

Taking this into account Council thinks that this is an appropriate approach with respect to the stormwater/flood protection activity because:

- the funding gap is not as material taking into account the above points.
- it is equitable to pass future renewal work costs onto future communities, given current communities are funding sewerage upgrade costs. Once sewerage schemes have been paid for in approximately 30 years time funding can be directed towards stormwater renewals.
- It does not represent a decrease in level of service over the life of this plan, or any decrease in level of service in the future.

[iii] port operations

Council is responsible for a facility that currently runs at a significant loss. This plan forecast minimal renewal work, with the focus being on maintaining areas required to deliver existing levels of service, i.e. to the fishing industry. The result of this is that depreciation is not funded and any remaining cash deficits are funded from non income sources, i.e. reserves (endowment land sales).

The implications are:

- funds from reserves are a finite resource and in the future, Council has to consider the funding requirements of the port operations and the sources of revenue available to fund operations.
- Funds will not be available to renew all port of Greymouth assets. The focus will be on areas required

The only realistic alternative available to Council at this stage would be to provide additional funding from rates. It has been Council policy since 1996 not to fund port operations directly from rates income. The viability of the port operations will remain a challenge for Council going forward.

[4] summary of Council's financial strategy

Whilst the forecast budget does not provide for the full funding of depreciation, as outlined here Council has based its decision to fund activities as indicated as it is of the opinion that this is the most ratepayers can afford. This is the strategy that Council has implemented for the 10 year period of this plan. It is noted that the next Long Term Plan will come into effect in 3 years, being the 2012 – 2022 plan. Council will place a large emphasis on reassessing the position of the district and the most appropriate financial strategy going forward.

[7] funding impact statement and rates required

[7.1] 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:

| Adopted Budget 2008/2009 \$000 | | Budget 2009/2010 \$000 | Forecast Budget 2010/2011 \$000 | Forecast Budget 2011/2012 \$000 | Forecast Budget 2012/2013 \$000 | Forecast Budget 2013/2014 \$000 | Forecast Budget 2014/2015 \$000 | Forecast Budget 2015/2016 \$000 | Forecast Budget 2016/2017 \$000 | Forecast Budget 2017/2018 \$000 | Forecast Budget 2018/2019 \$000 |
|--------------------------------|---|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | FUNDS REQUIRED | | | | | | | | | | |
| (3,435) | Employee costs | (3,650) | (3,764) | (3,986) | (4,178) | (4,317) | (4,453) | (4,584) | (4,723) | (4,866) | (5,011) |
| (8,232) | Operating & Maintenance Costs (excl Depreciation) | (9,918) | (10,567) | (11,081) | (11,503) | (12,060) | (12,265) | (12,623) | (13,155) | (13,577) | (13,902) |
| (783) | Finance costs | (755) | (947) | (1,382) | (1,297) | (1,765) | (1,983) | (1,952) | (1,913) | (1,859) | (2,141) |
| (4,002) | Renewal Capital Expenditure | (3,636) | (3,990) | (4,273) | (5,430) | (4,565) | (5,264) | (5,581) | (5,517) | (5,559) | (5,764) |
| (13,924) | New Capital Expenditure | (8,164) | (11,375) | (14,330) | (10,707) | (7,750) | (652) | (921) | (668) | (1,677) | (5,345) |
| (177) | Debt Repayments | (250) | (2,261) | (2,189) | (466) | (528) | (732) | (753) | (839) | (933) | (1,040) |
| (1,741) | Transfer to Reserves/Internal Transfer | (2,529) | (1,947) | (1,877) | (1,817) | (1,905) | (1,866) | (1,883) | (2,563) | (2,183) | (1,986) |
| (32,294) | Total funds required | (28,902) | (34,851) | (39,118) | (35,398) | (32,890) | (27,215) | (28,297) | (29,378) | (30,654) | (35,189) |
| | RATES INCOME | | | | | | | | | | |
| 4,907 | General Rates | 5,094 | 5,304 | 5,581 | 5,886 | 6,134 | 6,493 | 6,666 | 7,093 | 7,244 | 7,279 |
| 2,047 | Uniform Annual General Charge | 2,066 | 2,193 | 2,312 | 2,467 | 2,621 | 2,677 | 2,749 | 2,819 | 2,905 | 2,984 |
| 201 | District Promotion | 209 | 207 | 229 | 215 | 216 | 219 | 221 | 224 | 227 | 230 |
| 662 | Refuse Collection | 757 | 848 | 901 | 931 | 962 | 994 | 1,026 | 1,137 | 1,209 | 1,285 |
| 1,324 | Water Supplies | 1,371 | 1,414 | 1,584 | 1,662 | 1,725 | 1,747 | 1,803 | 1,886 | 1,914 | 1,973 |
| 258 | Water Meter Rates | 275 | 285 | 303 | 313 | 323 | 333 | 345 | 356 | 368 | 380 |
| 1,465 | Sewerage Collection | 1,647 | 1,845 | 1,935 | 2,092 | 2,180 | 2,257 | 2,328 | 2,425 | 2,485 | 2,567 |
| 114 | Rate Penalties | 122 | 126 | 133 | 137 | 141 | 145 | 150 | 154 | 159 | 163 |
| 10,978 | Total rates income | 11,541 | 12,222 | 12,978 | 13,703 | 14,302 | 14,865 | 15,288 | 16,094 | 16,511 | 16,861 |
| | OTHER FUNDING SOURCES | | | | | | | | | | |
| 4,229 | Subsidies and grants | 7,629 | 7,889 | 13,326 | 6,772 | 8,449 | 5,391 | 5,560 | 5,734 | 6,579 | 6,102 |
| 918 | Interest and dividends received | 686 | 632 | 417 | 340 | 261 | 275 | 285 | 307 | 339 | 361 |
| 1,423 | Regulatory income | 1,470 | 1,516 | 1,603 | 1,651 | 1,700 | 1,751 | 1,803 | 1,857 | 1,913 | 1,971 |
| 1,698 | User charges and other income | 2,356 | 2,503 | 2,790 | 2,992 | 3,314 | 3,171 | 3,218 | 3,521 | 3,509 | 3,598 |
| 308 | Gain on disposal of property | 286 | 265 | 253 | 234 | 217 | 201 | 187 | 344 | 329 | 339 |
| 1,832 | New loans raised | 2,788 | 4,525 | 4,892 | 6,460 | 3,191 | 268 | 358 | 168 | 33 | 4,598 |
| 10,908 | Funding from reserves | 2,146 | 5,299 | 2,859 | 3,246 | 1,456 | 1,293 | 1,598 | 1,353 | 1,441 | 1,359 |
| 21,316 | Total other funding sources | 17,361 | 22,629 | 26,140 | 21,695 | 18,588 | 12,350 | 13,009 | 13,284 | 14,143 | 18,328 |
| 32,294 | TOTAL FUNDING | 28,902 | 34,851 | 39,118 | 35,398 | 32,890 | 27,215 | 28,297 | 29,378 | 30,654 | 35,189 |

The total of the revenue sources expected are shown in the Budgeted Statement of Comprehensive Income and information is also shown in each Group of Activities Budgeted Cost of Service Statement.

[7.2] rates

Rates are assessed under the Local Government (Rating) Act 2002 on all rateable rating units in the Rating Information Database. 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 2006** and will be effective for the 2009/2010 rating year. District revaluations are carried out at a three yearly interval.

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. This makes it impossible to predict the actual rates to be set per property for years 2 – 10 of this plan. The above schedule gives a detail on how overall rating income is anticipated to increase. The following sections detail on what factors Council uses to calculate rates, and what the rates to be set per property are for 2009/2010.

[1] policy objective

- To provide Council with adequate income 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

[2] 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.

[3] general rate

NOTE: GENERAL RATES SET ON PROPERTY VALUE

Council consulted with the community in 2008 on whether to retain the current system of using land value as the base for calculation of the general rate, or change to capital value. Any change would have not changed the rates collected but some would have paid more and some paid less.

The majority of respondents were in favour of status quo and Council has decided that the existing system will be retained for this plan.

The Council sets a general rate based on the land value of each rating unit in the District. The general rate will be set on a differential basis based on land use as described as follows:

[i] residential

All properties in the District less than 4,000 square metres and used primarily for residential purposes, split into the following zones:

- Residential Zone ONE (refer below Map of Rating Zones below for location)
- Residential Zone TWO (refer below Map of Rating Zones below for location)
- Residential Zone THREE (refer below Map of Rating Zones below for location)

[ii] 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.

[iii] rural

All properties in the District greater than or equal to 50,000 square metres (5HA) and used primarily for residential purposes.

[iv] farming forestry

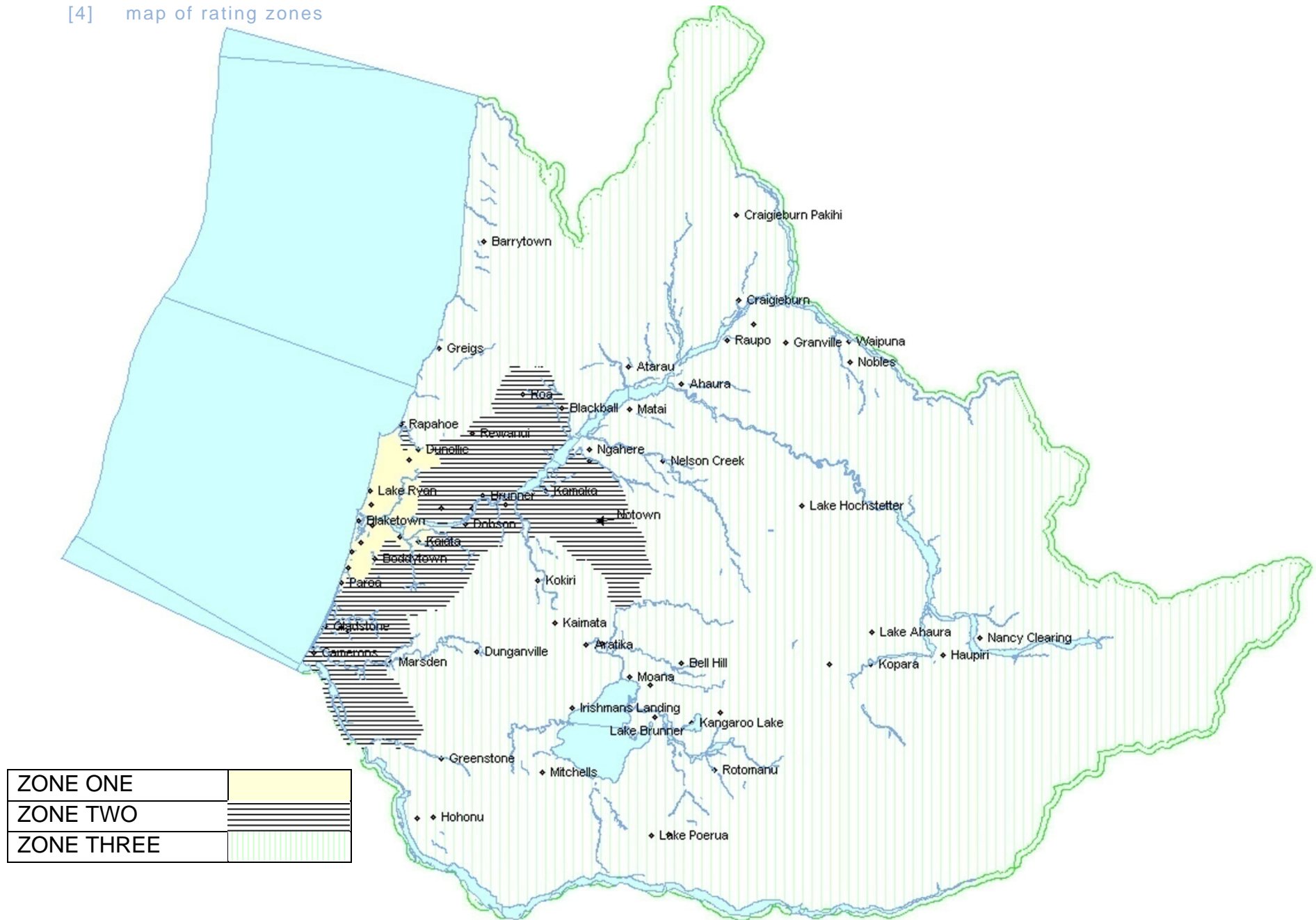
All properties in the District used primarily for farming and/or forestry purposes.

[v] 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)

[4] map of rating zones



[5] general rating differentials

[i] percentage of general rates payable per rating category

| | Residential Zone 1 | Residential Zone 2 | Residential Zone 3 | Rural Residential | Rural Use | Commercial Zone 1 | Commercial Zone 2 | Commercial Zone 3 | Farming Forestry |
|-------------------------|-----------------------|-----------------------|-----------------------|----------------------|--------------|----------------------|----------------------|----------------------|---------------------|
| Community Services | 40.20% | 3.45% | 13.95% | 9.55% | 3.95% | 21.90% | 1.30% | 1.60% | 4.10% |
| Environmental Services | 50.45% | 10.90% | 8.10% | 12.85% | 3.40% | 5.00% | 0.70% | 0.70% | 7.90% |
| Refuse Disposal Site(s) | 50.60% | 10.90% | 8.10% | 12.50% | 3.50% | 5.00% | 0.50% | 0.50% | 8.40% |
| Roading | 31.50% | 2.35% | 4.50% | 4.55% | 4.30% | 27.20% | 2.05% | 1.70% | 21.85% |
| Stormwater | 71.00% | 6.40% | 5.80% | 5.50% | 1.20% | 8.80% | 0.50% | 0.80% | |
| Flood Protection | 61.55% | 3.35% | 3.15% | 6.90% | 1.90% | 16.75% | 1.40% | 0.95% | 4.05% |
| Rural Fire | 11.80% | 5.20% | 5.70% | 4.50% | 13.50% | 1.40% | 0.50% | 0.50% | 56.90% |

[ii] rates per dollar of land value payable by each category

The rates for 2009/2010 are:

| Rate 2008/2009 | Residential - Zone 1 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.002090 | Community Services | 0.002090 | |
| 0.001870 | Environmental Services | 0.001870 | |
| 0.000780 | Refuse Disposal Site(s) | 0.000780 | |
| 0.003320 | Roading | 0.003650 | |
| 0.000850 | Stormwater | 0.000880 | |
| 0.000800 | Flood Protection | 0.000800 | |
| 0.000050 | Rural Fire | 0.000050 | |
| 0.009760 | TOTAL | 0.010120 | 3.7% |

| Rate 2008/2009 | Residential - Zone 2 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.000850 | Community Services | 0.000850 | |
| 0.001920 | Environmental Services | 0.001920 | |
| 0.000810 | Refuse Disposal Site(s) | 0.000810 | |
| 0.001120 | Roading | 0.001290 | |
| 0.000360 | Stormwater | 0.000380 | |
| 0.000210 | Flood Protection | 0.000210 | |
| 0.000100 | Rural Fire | 0.000100 | |
| 0.005370 | TOTAL | 0.005560 | 3.5% |

| Rate 2008/2009 | Residential - Zone 3 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.001550 | Community Services | 0.001550 | |
| 0.000650 | Environmental Services | 0.000650 | |
| 0.000280 | Refuse Disposal Site(s) | 0.000280 | |
| 0.001000 | Roading | 0.001110 | |
| 0.000150 | Stormwater | 0.000160 | |
| 0.000090 | Flood Protection | 0.000090 | |
| 0.000050 | Rural Fire | 0.000050 | |
| 0.003770 | TOTAL | 0.003890 | 3.2% |

| Rate 2008/2009 | Rural Residential Use | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.000870 | Community Services | 0.000870 | |
| 0.000860 | Environmental Services | 0.000860 | |
| 0.000370 | Refuse Disposal Site(s) | 0.000370 | |
| 0.000820 | Roading | 0.000900 | |
| 0.000120 | Stormwater | 0.000120 | |
| 0.000160 | Flood Protection | 0.000160 | |
| 0.000030 | Rural Fire | 0.000030 | |
| 0.003230 | TOTAL | 0.003310 | 2.5% |

| Rate 2008/2009 | Rural Use | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.000570 | Community Services | 0.000570 | |
| 0.000350 | Environmental Services | 0.000350 | |
| 0.000150 | Refuse Disposal Site(s) | 0.000150 | |
| 0.001300 | Roading | 0.001370 | |
| 0.000040 | Stormwater | 0.000050 | |
| 0.000070 | Flood Protection | 0.000070 | |
| 0.000140 | Rural Fire | 0.000140 | |
| 0.002620 | TOTAL | 0.002700 | 3.1% |

| Rate 2008/2009 | Commercial - Zone 1 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.004280 | Community Services | 0.004280 | |
| 0.000710 | Environmental Services | 0.000710 | |
| 0.000300 | Refuse Disposal Site(s) | 0.000300 | |
| 0.011340 | Roading | 0.011800 | |
| 0.000400 | Stormwater | 0.000410 | |
| 0.000820 | Flood Protection | 0.000820 | |
| 0.000020 | Rural Fire | 0.000020 | |
| 0.017870 | TOTAL | 0.018340 | 2.6% |

| Rate 2008/2009 | Commercial - Zone 2 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|----------|
| 0.001610 | Community Services | 0.001610 | |
| 0.000630 | Environmental Services | 0.000630 | |
| 0.000260 | Refuse Disposal Site(s) | 0.000260 | |
| 0.005250 | Roading | 0.005250 | |
| 0.000230 | Stormwater | 0.000230 | |
| 0.000430 | Flood Protection | 0.000430 | |
| 0.000070 | Rural Fire | 0.000070 | |
| 0.008480 | TOTAL | 0.008480 | |

| Rate 2008/2009 | Commercial - Zone 3 | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.002410 | Community Services | 0.002410 | |
| 0.000800 | Environmental Services | 0.000800 | |
| 0.000330 | Refuse Disposal Site(s) | 0.000330 | |
| 0.005390 | Roading | 0.005620 | |
| 0.000380 | Stormwater | 0.000380 | |
| 0.000370 | Flood Protection | 0.000370 | |
| 0.000070 | Rural Fire | 0.000070 | |
| 0.009750 | TOTAL | 0.009980 | 2.4% |

| Rate 2008/2009 | Farming/Forestry | Rate 2009/2010 | increase |
|-------------------|-------------------------|-------------------|-------------|
| 0.000120 | Community Services | 0.000120 | |
| 0.000170 | Environmental Services | 0.000170 | |
| 0.000080 | Refuse Disposal Site(s) | 0.000080 | |
| 0.001360 | Roading | 0.001410 | |
| - | Stormwater | - | |
| 0.000030 | Flood Protection | 0.000030 | |
| 0.000120 | Rural Fire | 0.000120 | |
| 0.001880 | TOTAL | 0.001930 | 2.7% |

[6] uniform annual general charge

The Uniform Annual General Charge is charged at 1 full charge per rating assessment. The Council sets a uniform annual general charge to fund the following activities:

- Airport (part)
- Affordable access to quality medical health services
- Civic Centre
- Library
- Swimming Baths
- Council
- Consultation
- Access to Official Information
- Law Order & Safety
- Civil Defence & Emergency Management
- Restorative Justice
- Co-operation with Department of Education School Principals & Other Education Providers

The rate for 2009/2010 is:

| Rate 2008/2009 | UAGC | Rate 2009/2010 | \$ change | % change |
|-------------------|------|-------------------|-----------|----------|
| 323.00 | Rate | 323.00 | - | |

Includes GST

[7] targeted rates

NOTE: WATER AND SEWERAGE RATES

The operational, maintenance and renewal costs for water and sewerage activities are funded by what Council terms the 'Club Scheme' This means that the total cost for each respective activity are spread by all benefitting ratepayers (i.e. there will be a subsidisation from those who have cheaper schemes to operate and maintain, which is received by those that have more expensive schemes to operate and maintain.

The cost of upgrades or new capital works are funded by the benefiting community only.

Council consulted on this issue in 2008 and the majority were in favour of retaining a level of subsidisation.

[i] sewerage

The Council sets a targeted rate for sewage disposal on the basis of a 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
- capital costs (loan repayments of previous capital expenditure, and/or current capital expenditure costs, and/or development costs of capital expenditure).

The rates for 2009/2010 are:

| Rate 2008/2009 | SEWERAGE | Rate 2009/2010 | \$ change | % change |
|-------------------|-------------------|-------------------|-----------|----------|
| 420.60 | Blackball | 444.40 | 23.80 | 5.7% |
| 443.00 | Greymouth | 483.00 | 40.00 | 9.0% |
| 185.20 | Karoro | 223.30 | 38.10 | 20.6% |
| 155.20 | Runanga | 125.40 | - | -19.2% |
| 155.20 | South Beach/Paroa | 190.60 | 35.40 | 22.8% |
| 155.20 | Moana | 175.90 | 20.70 | 13.3% |
| - | Taylorville | - | - | |
| 443.00 | Te-Kinga | 507.40 | 64.40 | 14.5% |
| 423.00 | South Beach Loan | 423.00 | - | |

Includes 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.

[ii] water supply

The Council sets a targeted rate for water supply on the basis of a 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)

The rates for 2009/2010 are:

| Rate 2008/2009 | WATER | Rate 2009/2010 | \$ change | % change |
|-------------------|------------------------|-------------------|-----------|----------|
| 364.80 | Blackball | 388.40 | 23.60 | 6.5% |
| 227.40 | Dobson/Taylorville | 293.00 | 65.60 | 28.8% |
| 315.10 | Greymouth | 327.80 | 12.70 | 4.0% |
| 265.40 | Runanga | 219.80 | - 45.60 | -17.2% |
| 227.40 | Stillwater | 329.10 | 101.70 | 44.7% |
| 148.00 | South Beach Water Loan | 148.00 | - | |

Includes GST

[iii] metered water supply

The Council sets a metered water targeted rate for the water supply that is based on the volume of water supplied to all rating units where the volume supplied is considered to be in excess of 300m³ per annum.

The rate for 2009/2010 is: (for all water consumed in excess of 300m³)

| Rate 2008/2009 | METERED WATER | Rate 2009/2010 | \$ change | % change |
|-------------------|---------------|-------------------|-----------|----------|
| 0.85 | Rate | 1.00 | 0.15 | 17.6% |

Includes GST

[iv] refuse collection

The Council sets a targeted rate for refuse collection on the basis of a targeted rate per separately used or inhabited part of a rating unit for which the service is available. The charge will be set only for those units for which the service is available and have capital improvements on the unit.

The rates for 2009/2010 are:

| Rate 2008/2009 | REFUSE | Rate 2009/2010 | \$ change | % change |
|-------------------|---|-------------------|-----------|--------------|
| 126.80 | Residential Collection | 141.20 | 14.40 | 11.4% |
| 253.60 | Commercial - Twice Weekly (where available) | 282.40 | 28.80 | 11.4% |

Includes GST

[v] district promotion rate

NOTE: DISTRICT PROMOTION RATE

Council consulted with the community in 2008 on whether to retain the current system of only commercial/industrial type properties being liable for this rate, or consider alternatives such as all ratepayers making a contribution. Council signalled in the draft plan to include “tourist accommodation providers in the district who operate for financial gain” (who do not currently fall within the commercial/industrial classification) within the targeted category.

There were a large number of submissions received on the issue and Council has decided in the interim to retain the status quo, and not include any additional type properties to be target rated. This is on the basis that Council will be investigated further the basis for the raising the funds required for district promotion.

The Council sets a targeted rate to fund promotion and marketing opportunities in the District. This is set on commercial and industrial properties and others who provide tourist accommodation in the district for financial gain. The rate per dollar of **Capital Value** is:

| Rate 2008/2009 | DISTRICT PROMOTION | Rate 2009/2010 | \$ change | % change |
|-------------------|--------------------|-------------------|-----------|----------|
| 0.001070 | Rate | 0.001070 | - | |

Includes GST

[8] 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.

[9] rates payable by instalment

| | Due Date and Payable | FINAL Date for payment |
|--------------|-----------------------------|-------------------------------|
| Instalment 1 | 01 August | 31 August |
| Instalment 2 | 01 November | 30 November |
| Instalment 3 | 01 February | 28 February |
| Instalment 4 | 01 May | 31 May |

[10] rates penalties

| CURRENT PENALTIES | PENALTY DATE | Penalty incurred on current instalment balance outstanding |
|--------------------------|---------------------|---|
| Instalment 1 Penalty | 01 September | 10% |
| Instalment 2 Penalty | 01 December | 10% |
| Instalment 3 Penalty | 01 March | 10% |
| Instalment 4 Penalty | 01 June | 10% |

| WATER METER RATE PENALTIES | PENALTY DATE | Penalty incurred on TOTAL balance outstanding |
|-----------------------------------|--|--|
| Instalment Penalty | 20 th of month following invoice date | 10% |

| ARREARS PENALTIES | PENALTY DATE | Penalty incurred on TOTAL balance outstanding |
|--------------------------|---------------------|--|
| Annual Penalty | 01 July | 10% |

[11] rate remission and postponement policies

Full copies of Council's Rates Remission and Postponement Policies are detailed further in volume 2 of this plan and available on request or from the website www.greyc.govt.nz.

[8] fees and charges

| Sewerage | | 2009/2010 fee | 2008/2009 fee |
|--|------------------------|-------------------|---------------|
| Financial Contributions (payable on receiving consent for subdivision) | | | |
| Moana | <i>per lot</i> | \$4,170.00 | \$3,969.50 |
| South Beach/Paroa | <i>per lot</i> | \$9,990.00 | \$9,292.20 |
| Karoro | <i>per lot</i> | \$2,395.00 | \$2,227.20 |
| Boddytown | | \$1,230.00 | \$1,144.00 |
| Cobden | | \$1,740.00 | \$1,617.00 |
| Greymouth | | \$1,230.00 | \$1,144.00 |
| Blackball | | \$700.00 | \$647.00 |
| <i>Other contributions to proposed 'as required' works may be set through separate consultative procedures</i> | | | |
| Trade Waste Charges (for all waste disposed in excess of 300m³ p.a.) | | | |
| Greymouth Johnston street plant | <i>per cubic metre</i> | \$0.25 | \$0.23 |
| Tarry Creek treatment plant - indicative costs | <i>per cubic metre</i> | \$0.55 | \$0.51 |
| Blackball Treatment plant | <i>per cubic metre</i> | \$0.59 | \$0.54 |
| Karoro Treatment plant | <i>per cubic metre</i> | \$0.57 | \$0.53 |
| Runanga treatment plant | <i>per cubic metre</i> | \$0.28 | \$0.26 |
| Cobden Treatment plant | <i>per cubic metre</i> | \$0.18 | \$0.16 |
| Water | | 2009/2010 fee | 2008/2009 fee |
| Financial Contributions (payable on receiving consent for subdivision) | | | |
| South Beach/Paroa | <i>per lot</i> | \$3,330.00 | \$3,097.50 |
| Karoro | <i>per lot</i> | \$1,065.00 | \$988.00 |
| Boddytown | <i>per lot</i> | \$1,400.00 | \$1,299.00 |
| Cobden | <i>per lot</i> | \$665.00 | \$617.00 |
| Greymouth | <i>per lot</i> | \$665.00 | \$617.00 |
| Blackball | | \$305.00 | \$281.00 |
| <i>Other contributions to proposed 'as required' works may be set through separate consultative procedures</i> | | | |

| Refuse | | 2009/2010 fee | 2008/2009 fee |
|--|---------------------------------|----------------------|----------------------|
| Note all fees include the new waste minimisation levy that is calculated at \$10 per tonne + GST. This levy is passed on to central government | | | |
| McLeans Landfill | | | |
| see facilities/Council for a full list of charges | | | |
| Commercial | <i>per tonne</i> | \$86.30 | \$75.00 |
| Mixed domestic | <i>per tonne</i> | \$86.30 | \$75.00 |
| Disposal of Cars/Ute/Light Trucks - Prepared | <i>each</i> | free | free |
| Disposal of Cars/Ute/Light Trucks - Un-Prepared | <i>each</i> | \$35.00 | \$30.00 |
| Recyclables/Greenwaste only | | free | \$2.00 |
| Tyres - Car/Motorcycle | <i>each</i> | \$3.50 | \$3.00 |
| Tyres - 4WD | <i>each</i> | \$3.50 | \$3.00 |
| Tyres - Truck | <i>each</i> | \$7.00 | \$6.00 |
| Tyres - Tractor | <i>each</i> | \$7.00 | \$6.00 |
| Resource Centres | | \$29.00 | \$25.00 |
| (Building and demolition Waste Only) | | | |
| Refuse ties | <i>each</i> | \$2.10 | \$1.80 |
| Refuse bags (plain) | <i>per pack of 20</i> | \$8.50 | \$7.50 |
| Airport | | 2009/2010 fee | 2008/2009 fee |
| Commercial (Fixed Wing and Helicopter) | | | |
| Landing Fee | <i>per movement</i> | \$32.00 | \$30.00 |
| Landing fee | <i>pre purchase of 25 units</i> | \$630.00 | \$600.00 |
| Administration | <i>per account processing</i> | \$5.50 | \$5.00 |
| Non Commercial (Fixed Wing and Helicopter) | | | |
| Landing Fee | <i>per movement</i> | \$16.00 | \$15.00 |
| Landing fee | <i>pre purchase of 25 units</i> | \$315.00 | \$300.00 |
| Administration | <i>per account processing</i> | \$6.00 | \$5.00 |
| Other | | | |
| Microlight | <i>per movement</i> | \$7.00 | \$6.25 |
| Microlight | <i>pre purchase of 25 units</i> | \$132.00 | \$125.00 |
| | <i>per account processing</i> | \$6.00 | \$5.00 |
| Lights | <i>per activation</i> | \$6.00 | \$5.00 |
| Civic Centre | | 2009/2010 fee | 2008/2009 fee |
| Hire | | | |
| Hourly Charge | <i>per hour</i> | \$21.00 | \$20.00 |
| Other | | | |
| Light Meters | | \$5.00 | \$4.00 |

| Swimming Baths | | 2009/2010 fee | 2008/2009 fee |
|--|--------------------------------|---------------|---------------|
| Pool Admission | | | |
| Adult | | \$5.00 | |
| Community Card Holder (CCH) | | \$3.50 | new facility |
| Children (under 15 yrs) | | \$3.00 | new facility |
| School Student (with ID) | | \$3.00 | |
| Parent/Caregiver and Preschooler | | \$3.00 | |
| Family Passes | | | |
| Family – 2 adults and 2 children | | \$13.00 | new facility |
| Family – 1 adult and 2 children | | \$9.00 | new facility |
| Family - 1 adult and 1 child (5yrs+) | | \$6.50 | new facility |
| each additional child | | \$2.00 | new facility |
| Spectators | | free | new facility |
| Membership admission | | | |
| Adult | 3 months | \$150.00 | new facility |
| | 6 months | \$275.00 | new facility |
| | 12 months | \$500.00 | new facility |
| Community Card Holder | 3 months | \$120.00 | new facility |
| | 6 months | \$220.00 | new facility |
| | 12 months | \$400.00 | new facility |
| Children | 3 months | \$90.00 | new facility |
| | 6 months | \$165.00 | new facility |
| | 12 months | \$300.00 | new facility |
| Corporate | 12 months (150 swims) | \$500.00 | new facility |
| Swim concessions (10% discount applies) | | | |
| Adult | 10 swims | \$45.00 | new facility |
| | 20 swims | \$90.00 | new facility |
| Community Card Holder | 10 swims | \$31.50 | new facility |
| | 20 swims | \$63.00 | new facility |
| Children | 10 swims | \$27.00 | new facility |
| | 20 swims | \$54.00 | new facility |
| Hydroslide | | | |
| Adult | unlimited rides during session | \$5.00 | new facility |
| Community Card Holder (CCH) | unlimited rides during session | \$4.00 | new facility |
| Children (under 15 yrs) | unlimited rides during session | \$3.00 | new facility |
| Aqua Jogging | | | |
| Adult | | \$5.50 | new facility |
| Community Card Holder (CCH) | | \$4.00 | new facility |
| Adult (concession x 10) | | \$50.00 | new facility |
| Community Card Holder (CCH) (concession x 10) | | \$35.00 | new facility |
| <i>Group bookings and school rates available - enquire at pool</i> | | | |

| Libraries | | 2009/2010 fee | 2008/2009 fee |
|--|--|-------------------------------|------------------------|
| Loan | | | |
| Fiction (GT \$2.) | <i>per book</i> | \$1.00 | \$1.00 |
| Fiction (LT \$2.) | <i>per book</i> | \$0.50 | \$0.50 |
| Non-Fiction | <i>per book</i> | no charge | no charge |
| Children's Books | <i>per book</i> | no charge | no charge |
| Large Print | <i>per book</i> | \$0.50 | \$0.50 |
| Talking Books | <i>per book</i> | no charge | no charge |
| Commuter Tapes (Abridged Talking Books) | <i>per unit</i> | \$1.00 | \$1.00 |
| Fines | | | |
| Overdue adult Books | <i>1 week</i> | \$1.50 | \$1.00 |
| " " | <i>2 weeks</i> | \$2.50 | \$2.00 |
| " " | <i>3 weeks</i> | \$4.50 | \$4.00 |
| " " | <i>4 weeks</i> | \$5.50 | \$5.00 |
| Overdue Children's Books | <i>1 week</i> | \$1.00 | \$0.60 |
| " " | <i>2 weeks</i> | \$1.50 | \$1.00 |
| " " | <i>3 weeks</i> | \$2.00 | \$1.50 |
| " " | <i>4 weeks</i> | \$2.50 | \$2.00 |
| Other | | | |
| Book Reserve Fee | <i>per book</i> | \$0.50 | \$0.50 |
| Non Resident Subscription (add card issue) | <i>per year or part thereof</i> | \$40.00 | \$40.00 |
| Replacement Library Card | <i>each</i> | \$2.50 | \$2.00 |
| Internet Use | <i>per 15min</i> | \$2.50 | \$2.00 |
| Internet Use | <i>per 3min</i> | \$4.00 | \$3.50 |
| Internet Use | <i>per hour</i> | \$6.50 | \$6.00 |
| Historic Research from Pioneer Library Records | <i>per 15min + photocopy charges</i> | \$5.50 | \$5.00 |
| Interloan Request | <i>per book (+ \$4. postage per book and any external charges imposed)</i> | \$2.50 | \$2.00 |
| Multimedia Printouts | <i>per A4</i> | \$1.00 | \$0.50 |
| Damaged Book Charge | | | |
| Minor Damage | <i>per book</i> | \$2.50 | \$2.00 |
| Serious Damage | <i>per book</i> | \$5.00 - \$15.00 | \$5.00 - \$15.00 |
| Damaged Book Beyond Repair - New Book | <i>per book</i> | at cost + 10% admin | at cost + 10% admin |
| Damaged Book Beyond Repair - Well Used Book | <i>per book</i> | proportion of purchase | proportion of purchase |
| Photocopying | | | |
| Normal A4 | <i>per sheet - BW</i> | \$0.50 | \$0.25 |
| Normal A4 | <i>per sheet - Colour</i> | \$1.50 | \$1.00 |
| Normal A3 | <i>per sheet - BW</i> | \$0.50 | \$0.40 |
| Normal A3 | <i>per sheet - Colour</i> | \$2.00 | \$1.50 |
| Student A4 | <i>per sheet - BW</i> | \$0.50 | \$0.20 |
| Student A4 | <i>per sheet - Colour</i> | \$1.00 | \$0.80 |
| Student A3 | <i>per sheet - BW</i> | \$0.50 | \$0.30 |
| Student A3 | <i>per sheet - Colour</i> | \$1.50 | \$1.30 |

| Cemeteries | | 2009/2010 fee | 2008/2009 fee |
|--|----------------------------|---------------|---------------|
| Plot Purchase | | \$346.50 | \$330.00 |
| Ashes Lawn | | \$92.50 | \$88.00 |
| Cremation Berm | | \$139.00 | \$132.00 |
| Baby Plots | | \$81.00 | \$77.00 |
| RSA Plots | | No Charge | No Charge |
| Paupers' Plots | | No Charge | No Charge |
| Single Plot | | \$520.00 | \$495.00 |
| Ashes Lawn | | \$139.00 | \$132.00 |
| Cremation Berm | | \$139.00 | \$132.00 |
| Baby Plots | | \$104.00 | \$99.00 |
| RSA Plots | | No Charge | No Charge |
| Paupers' Plots | | No Charge | No Charge |
| Interment | | | |
| 12 years and over | | \$289.00 | \$275.00 |
| Under 12 Years | | \$115.50 | \$110.00 |
| Stillborn | | \$58.00 | \$55.00 |
| Ashes | | \$115.50 | \$110.00 |
| Disinterment | | \$370.00 | \$352.00 |
| Re-interment | | \$370.00 | \$352.00 |
| Extra Depth (over 6ft) | | \$115.50 | \$110.00 |
| Weekend & Public Holidays | <i>additional charge</i> | \$208.00 | \$198.00 |
| Lowering Device | | \$41.00 | \$39.00 |
| Memorial Permit | | \$29.50 | \$28.00 |
| History House | | 2009/2010 fee | 2008/2009 fee |
| Admission | | | |
| Adults | | \$5.00 | \$5.00 |
| Children | | \$1.50 | \$1.50 |
| <i>Ratepayer Concession. Paid entry allows free return entry for the following 12 months</i> | | | |
| Photographs | | | |
| Postcard Size | | \$8.50 | \$8.00 |
| Laser Copy A4 | | \$16.00 | \$15.00 |
| Laser Copy A3 | | \$16.00 | \$15.00 |
| Laminated | <i>additional to above</i> | \$3.50 | \$3.00 |
| Sepia | <i>additional to above</i> | \$3.50 | \$3.00 |
| Other | | | |
| Research | <i>per hour</i> | \$26.50 | \$25.00 |
| Approved Meetings | | \$16.00 | \$15.00 |
| Photocopying | | | |
| A4 | <i>per sheet - BW</i> | \$0.50 | \$0.25 |
| A4 | <i>per sheet - Colour</i> | \$1.50 | \$1.00 |
| A3 | <i>per sheet - BW</i> | \$0.50 | \$0.40 |
| A3 | <i>per sheet - Colour</i> | \$2.00 | \$1.50 |
| Postage | | \$3.50 | \$3.00 |
| Courier Deliveries | | at cost | at cost |

| PLANNING | | 2009/2010 fee | 2008/2009 fee |
|--|---------------------|------------------------------------|-----------------------------|
| All Fees Listed are Deposits. Balance of charges will be charged at the rates specified | | | |
| Subdivisions | | | |
| Boundary Adjustments | <i>deposit only</i> | \$331.00 | \$315.00 |
| Non-notified (2 - 5 lots) | <i>deposit only</i> | \$567.00 | \$540.00 |
| Non-notified (6 - 10 lots) | <i>deposit only</i> | \$1,087.00 | \$1,035.00 |
| Non-notified (11+ lots) | <i>deposit only</i> | \$1,480.50 | \$1,410.00 |
| Public notification - subdivision | <i>deposit only</i> | \$945.00 | \$900.00 |
| s224 - without inspection | <i>deposit only</i> | \$215.50 | \$205.00 |
| s224- with one inspection | <i>deposit only</i> | \$331.00 | \$315.00 |
| s226 certificate | <i>deposit only</i> | \$425.50 | \$405.00 |
| Other certificates (e.g. s223) | <i>deposit only</i> | \$121.00 | \$115.00 |
| Esplanade reserve reduction/waiver | <i>deposit only</i> | \$394.00 | \$375.00 |
| Reapproval lapsed consent | <i>deposit only</i> | \$425.50 | \$405.00 |
| ROW/Easement amendments | <i>deposit only</i> | \$299.50 | \$285.00 |
| Land Use Consents | | | |
| Hazardous substances | <i>deposit only</i> | \$472.50 | \$450.00 |
| Signs | <i>deposit only</i> | \$425.50 | \$405.00 |
| Relocated buildings | <i>deposit only</i> | \$331.00 | \$315.00 |
| Bulk & locn/recession plane/setback | <i>deposit only</i> | \$357.00 | \$340.00 |
| Heritage | <i>deposit only</i> | \$331.00 | \$315.00 |
| Non-rural/residential activities | <i>deposit only</i> | \$709.00 | \$675.00 |
| Utilities | <i>deposit only</i> | \$425.50 | \$405.00 |
| Vegetation clearance | <i>deposit only</i> | \$394.00 | \$375.00 |
| Sub-sized lots | <i>deposit only</i> | \$661.50 | \$630.00 |
| Limited Notification - Land Use* | <i>deposit only</i> | \$661.50 | \$630.00 |
| Public Notification - Land Use* | <i>deposit only</i> | \$992.50 | \$945.00 |
| Plan Changes | | | |
| District Plan Changes - major | <i>deposit only</i> | \$11,812.50 | \$11,250.00 |
| District Plan Changes - minor | <i>deposit only</i> | \$5,906.50 | \$5,625.00 |
| Other | | | |
| Designation/Heritage Order | <i>deposit only</i> | \$2,362.50 | \$2,250.00 |
| Alteration of designation | <i>deposit only</i> | \$945.00 | \$900.00 |
| Compliance Certificate | <i>deposit only</i> | \$236.50 | \$225.00 |
| s357 objection | <i>deposit only</i> | \$357.00 | \$340.00 |
| Consent variation - non-notified | <i>deposit only</i> | \$320.50 | \$305.00 |
| Consent variation - notified | <i>deposit only</i> | \$614.50 | \$585.00 |
| Outline Plan | <i>deposit only</i> | \$236.50 | \$225.00 |
| Comments on Draft Applications | | staff hourly rates | staff hourly rates |
| Consultants/Peer Review | | \$150/hour (not more than) | \$150/hour (not more than) |
| Legal advice | | \$300/hour (not more than) | \$300/hour (not more than) |
| Hearings - Commissioner | | \$1,200/day (not more than) | \$1,200/day (not more than) |
| - Facilities | | \$150/hour (not more than) | \$150/hour (not more than) |
| Resource Consent Monitoring of Conditions | | staff hourly rates | staff hourly rates |
| District Plan Sales - printed (Electronic Available Free) | | \$175.00 | \$175.00 |

* Notification fee is in addition to deposit for consent type

| BUILDING | | 2009/2010 fee | 2008/2009 fee |
|--|-------------------------------------|--------------------------------|--------------------------------|
| Building Consent Accreditation levy | <i>per \$1,000 of building work</i> | \$2.10 | \$1.90 |
| <u>Set Fees (incl the appropriate CCC)</u> | | | |
| BWOF | | | |
| BWOF Audits | | at cost | n/a |
| Demolition - large /commercial | | \$580.00 | \$525.00 |
| Demolition - residential | | \$305.00 | \$275.00 |
| Fire Installations | | \$305.00 | \$275.00 |
| Minor building works | | \$360.00 | \$325.00 |
| Minor plumbing & drainage (incl separation of services where no septic tank)* | | \$360.00 | \$325.00 |
| Separation of services with disconnection of septic tank* | | \$495.00 | \$450.00 |
| Relocated buildings | | \$1,375.00 | \$1,250.00 |
| Swimming Pools | | \$770.00 | \$700.00 |
| Towers/Signs etc | | \$595.00 | \$540.00 |
| Marquees | | \$220.00 | \$200.00 |
| <u>Deposits Only (Costs to be Charged based on Actual Time)</u> | | | |
| PIM (only) | <i>deposit only</i> | \$165.00 | \$150.00 |
| CCC processing fee (applied to all consents with deposit based fees) | <i>deposit only</i> | \$200.00 | \$112.50 |
| <u>Residential - Deposits Only (Costs to be Charged based on Actual Time)</u> | | | |
| Garages/carports | <i>deposit only</i> | \$595.00 | \$540.00 |
| Garden Sheds | <i>deposit only</i> | \$595.00 | \$540.00 |
| Minor Alterations | <i>deposit only</i> | \$595.00 | \$540.00 |
| Major Alterations | <i>deposit only</i> | \$1,140.00 | \$1,035.00 |
| Pre-fab construction dwellings | <i>deposit only</i> | \$1,980.00 | \$1,800.00 |
| New Dwellings | <i>deposit only</i> | \$2,725.00 | \$2,475.00 |
| Multi-Unit Residential | <i>deposit only</i> | \$3,960.00 | \$3,600.00 |
| <u>Industrial/Commerical - Deposits Only (Costs to be Charged based on Actual Time)</u> | | | |
| Minor alterations | <i>deposit only</i> | \$845.00 | \$765.00 |
| Major Alterations | <i>deposit only</i> | \$2,230.00 | \$2,025.00 |
| Farm Buildings | <i>deposit only</i> | \$525.00 | \$475.00 |
| Workshops | <i>deposit only</i> | \$1,365.00 | \$1,240.00 |
| Woolsheds | <i>deposit only</i> | \$1,485.00 | \$1,350.00 |
| Dairy sheds | <i>deposit only</i> | \$2,475.00 | \$2,250.00 |
| Shop/Office - single | <i>deposit only</i> | \$2,970.00 | \$2,700.00 |
| Shop/Office - complex | <i>deposit only</i> | \$4,455.00 | \$4,050.00 |
| Large multi-function complex | <i>deposit only</i> | \$7,180.00 | \$6,525.00 |
| Consultants/Peer Review | | at cost | at cost |
| <u>Enforcement</u> | | | |
| 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 |

Central government (BRANZ & DBH) payable in addition to these fees

An additional levy will apply for all building consents of \$1.99 per \$1,000 of building work.

This levy is designed to specifically recover additional costs required to meet the accreditation criteria, which is included in the budget

i.e, additional charges of:

| | Total value of work | Additional levy payable to Council |
|------------------------|---------------------|------------------------------------|
| garage | 10,000.00 | 19.94 |
| extension | 60,000.00 | 119.66 |
| bathroom | 25,000.00 | 49.86 |
| new house - small | 165,000.00 | 329.06 |
| new house - large | 300,000.00 | 598.29 |
| Separation of services | 3,000.00 | 5.98 |
| New space heater | 5,000.00 | 9.97 |

* A discount of 42.5% will be available to those properties that apply for consent to connect by the following dates:

- a. Blackball by 31 March 2010.
- b. Boddytown by 31 March 2010.
- c. Cobden areas where currently on septic tank, by 31 March 2010.
- e. All other areas, the later of 31 March 2010 or within 16 months of a separate sewage connection being available.

Noting that the fee incorporates a maximum number of inspections:

- a. fee where no septic tank decommissioning involved incorporates a maximum of one site inspection, and
- b. fee including septic tank decommission incorporates a maximum of two site inspections, and
- c. any additional inspections required as a result of the applicants inaction, or incorrect action will incur additional charges at normal hourly rates, and no further discounts will be applied.

| AMENITY MANAGEMENT | | 2009/2010 fee | 2008/2009 fee |
|--|----------|--------------------------------|--------------------------------|
| Advertising Signs Fees | | \$81.50 | \$77.50 |
| Hawkers Fees | | \$142.00 | \$135.00 |
| Itinerant Traders Fees | | \$142.00 | \$135.00 |
| Abandoned Vehicles | | | |
| Towage | | at cost | at cost |
| Inspection & Administration | per hour | staff hourly rate + mileage | staff hourly rate + mileage |
| Storage of Vehicle | per day | \$8.00 | \$7.25 |
| Amusement Devices | | | |
| One Device | | \$14.00 | \$13.20 |
| Each Additional Device | | \$3.50 | \$3.00 |
| Each Device for a further period of 7 days | | \$2.00 | \$1.50 |

| ANIMAL CONTROL | 2009/2010 fee | 2008/2009 fee |
|---------------------------|--------------------------------|--------------------------------|
| Dog Registration | | |
| Pet | \$75.00 | \$72.50 |
| Desexed | \$56.00 | \$53.80 |
| Working | \$32.00 | \$31.00 |
| Late Regn | \$112.50 | \$108.75 |
| Dog Impounding | | |
| 1st Offence | \$59.00 | \$57.00 |
| 2nd Offence | \$118.00 | \$114.00 |
| 3rd Offence | \$176.50 | \$171.00 |
| Sustenance (per day) | \$10.50 | \$10.00 |
| After Office Hours | | |
| Applicable Fee above Plus | staff hourly rate + mileage | staff hourly rate + mileage |

A discount of 20% will apply for the Government issued SuperGold card (super annuitants) for the registration of Pet and Desexed dogs, where the registration is fully paid on or before the due date.

| HEALTH | 2009/2010 fee | 2008/2009 fee |
|--------------------------|---------------|---------------|
| Food Licensing | | |
| Food Gr 1 | \$308.00 | \$280.00 |
| Food Gr 2 | \$445.50 | \$405.00 |
| Food Gr 3 | \$594.00 | \$540.00 |
| No Kitchen facilities | \$148.50 | \$135.00 |
| Hairdressers | \$283.00 | \$257.00 |
| Camping/Offensive Trades | \$283.00 | \$257.00 |

| OFFICIAL INFORMATION | 2009/2010 fee | 2008/2009 fee |
|----------------------|---------------|---------------|
| LIMs | \$237.50 | \$230.00 |

| Administration - Charge Out Rates | 2009/2010 fee | 2008/2009 fee |
|--|---------------|---------------|
| Management/CEO | \$134.50 | \$130.00 |
| Engineers | \$102.50 | \$99.00 |
| Engineering Assistants/Officers | \$87.00 | \$84.00 |
| Planners | \$103.50 | \$100.00 |
| Building Officers | \$103.50 | \$100.00 |
| Monitoring Staff | \$88.00 | \$85.00 |
| Animal Control Officer | \$88.00 | \$85.00 |
| Administration/Customer Service Officers | \$65.50 | \$63.00 |

Fees and actual time hours are recoverable from applicants

| Retirement Housing | 2009/2010 fee | 2008/2009 fee |
|---|---------------|---------------|
| Rental Units to increase in 2009/2010 by \$2.50 per week Contact Support Services for availability and details | | |

| Parking | 2009/2010 fee | 2008/2009 fee |
|---|---------------|---------------|
| Car Park rentals to increase in 2009/2010 by \$2.85 per week Contact Support Services for availability and details | | |

| PORT - PILOTAGE & NAVIGATION ADVISORY SERVICES | | 2009/2010 fee | 2008/2009 fee |
|--|------------------------------|-----------------------------|----------------------|
| Pilotage, excluding use of Pilot Vessel | / movement | Pilot's fees + 10% | Pilot's fees + 10% |
| Pilot Detained on Board | / day | Pilot's fees + 10% + | Pilot's fees + 10% + |
| Pilot Vessel | / hour | \$504.00 | \$489.38 |
| Pilot Vessel Master | / hour | \$65.19 | \$63.28 |
| Pilot Vessel Crew Member | / hour | \$51.13 | \$49.61 |
| Pilot Examination | each | \$153.00 | \$148.50 |
| Pilotage Exemption Examination | each | \$153.00 | \$148.50 |
| Pilotage Exemption Certificate | / year | \$185.63 | \$180.00 |
| Navigation Advisory Services - Harbourmaster | / hour | \$92.70 | \$90.00 |
| Navigation Advisory Services - Harbour Supervisor | / hour | \$67.50 | \$65.48 |
| Navigation Advisory Services - Vehicle | / hour | \$36.68 | \$35.61 |
| Navigation Facilities - Fish Landed - Hoki | /tonne | \$0.74 | \$0.72 |
| Navigation Facilities - Fish Landed - Barracouta | /tonne | \$0.74 | \$0.72 |
| Navigation Facilities - Fish Landed - Other Species | /tonne | \$0.74 | \$0.72 |
| Navigation Facilities - Coal / Logs Shipped | /tonne | \$0.74 | \$0.72 |
| Navigation Facilities - Gravel / Rock Shipped | /tonne | \$0.52 | \$0.51 |
| Navigation Facilities - Timber/General Cargo Shipped | /tonne | \$0.90 | \$0.88 |
| Navigation Facilities - Fertiliser Shipped | /tonne | \$0.74 | \$0.72 |
| Navigation Facilities Without Declared Fish or Cargo - Annual | /metre length overall / year | \$49.39 | \$47.93 |
| Navigation Facilities Without Declared Fish or Cargo or Mooring - Per Movement | / metre length overall / | \$0.82 | \$0.80 |
| PORT - CARGO & PASSENGER VESSEL BERTHAGE | | 2009/2010 fee | 2008/2009 fee |
| Ships, Tugs, Barges Berthage - per day | / gross registered tonne | \$0.23 | \$0.21 |
| Ships, Tugs, Barges Berthage - per day | minimum | \$225.00 | \$213.75 |
| Ships, Tugs, Barges Lay Up Berthage - per day | / gross registered tonne | \$0.18 | \$0.17 |
| Ships, Tugs, Barges Lay Up Berthage - per day | minimum | \$180.00 | \$171.00 |
| Mooring (Line Services) | / staff hour | \$51.13 | \$49.61 |

| PORT - CARGO PORT FACILITIES | | 2009/2010 fee | 2008/2009 fee |
|--|-------------------------------|-------------------------|------------------|
| Timber | <i>maximum of m3 or tonne</i> | \$7.88 | \$7.65 |
| Logs | <i>maximum of m3 or tonne</i> | \$4.16 | \$4.05 |
| Coal Wharfage | <i>/ tonne</i> | \$4.73 | \$4.56 |
| Coal Stockpile and Resource Management | <i>/ tonne shipped</i> | \$1.24 | \$1.18 |
| Gravel, Aggregate, Rock | <i>/ tonne</i> | \$3.49 | \$3.38 |
| Fertiliser | <i>/ tonne</i> | \$4.61 | \$4.50 |
| Motor Vehicles | <i>each</i> | \$76.16 | \$73.97 |
| Containers - Loaded (TEU = Twenty Foot Length Equivalent Unit) | <i>/ TEU</i> | \$251.61 | \$244.29 |
| Containers - Empty | <i>/ TEU</i> | \$203.74 | \$197.78 |
| Pallets Returned Empty | <i>/ m3</i> | \$5.40 | \$5.23 |
| All Other Cargo | <i>maximum of m3 or tonne</i> | \$5.40 | \$5.23 |
| Cargo Brought in for Shipping and Leaving Port Other than by Ship/Barge | <i>maximum of m3 or tonne</i> | 50% of wharfage, | 50% of wharfage, |
| Cargo Wharf Crane Hire - | <i>/ hour / crane</i> | \$270.00 | \$262.13 |
| Cargo Wharf Crane Hire - Minimum Charge | <i>minimum</i> | \$67.50 | \$65.53 |
| <p><i>* Note : A composite charge for wharfage and other services may be negotiated (a) Shippers of cargo when and individual consignor, consignee or shipping</i></p> | | | |

| PORT - LONG TERM STORAGE OF CARGO | | 2009/2010 fee | 2008/2009 fee |
|---|---------------------------------|----------------|---------------|
| Storage at Richmond Quay Stockpile Area 1st 6 weeks per shipment | <i>maximum of m3 or tonne /</i> | free | free |
| Storage at Richmond Quay Stockpile Area Next 1-3 months | <i>maximum of m3 or tonne /</i> | \$0.25 | \$0.24 |
| Storage at Richmond Quay Stockpile Area Next 4-6 months | <i>maximum of m3 or tonne /</i> | \$0.50 | \$0.47 |
| Storage at Richmond Quay Stockpile Area Over 6 months After Free Period | <i>maximum of m3 or tonne /</i> | \$0.74 | \$0.71 |
| Storage in Cargo Shed : less than 100 m2 | <i>/ m2 / month</i> | \$10.13 | \$5.18 |
| Storage in Cargo Shed : 100 m2 or more | <i>/ m2 / month</i> | \$7.88 | \$5.18 |
| Rental of Port Operational Land Occupied by Containers, Storage etc | <i>/ m2 / year</i> | \$19.80 | \$19.24 |

| PORT - FISHING VESSELS & INDUSTRY | | 2009/2010 fee | 2008/2009 fee |
|--|------------------------------|-------------------------------|---------------|
| Berthage Annual - 80% Discount on daily rate if Paid 6 months in Advance Includes Electricity & Water | /metre length overall / year | \$134.44 \$1,828.35 | \$74.70 |
| Berthage Daily - Includes Electricity & Water | /metre length overall / day | \$2.08 | \$1.15 |
| Annual Lay Up Berthage (Further 20% Discount) - Includes Electricity & Water | /metre length overall / year | \$107.55 | \$89.64 |
| Daily Lay Up Berthage (20% Discount) - Includes Electricity & Water | /metre length overall / day | \$1.65 | \$1.37 |
| Port Access - Barracouta * | / tonne | \$4.05 | \$3.38 |
| Port Access - Hoki * | / tonne | \$4.55 | \$3.79 |
| Port Access - Crayfish * | / tonne | \$30.38 | \$25.31 |
| Port Access - Other Fish Species * | / tonne | \$9.63 | \$8.02 |
| Port Access - Undeclared Fish / vessel metre loa | / metre loa | \$6.08 | \$5.06 |
| Unloading @ PWL Wharf - Barracouta * | / tonne | \$4.05 | \$3.38 |
| Unloading @ PWL Wharf - Hoki * | / tonne | \$4.55 | \$3.79 |
| Unloading @ PWL Wharf - Crayfish * | / tonne | \$30.38 | \$25.31 |
| Unloading @ PWL Wharf - Other Fish Species * | / tonne | \$9.63 | \$8.02 |
| Martins Quay Crane Hire | / tonne | \$11.34 | \$9.45 |
| Wharf Space Occupied by Processors, Fuel Pumps | / m2 / year | \$64.80 | \$54.00 |
| Rental of Port Operational Land Occupied by Containers, Storage etc | / m2 / year | \$19.80 | \$19.24 |

* Note : A composite charge for wharfage and other services may be negotiated
(b) Individual consignees who can offer a long term bulk fish trade.

| PORT - RECREATIONAL / COMMERCIAL TOUR & CHARTER VESSELS BERTHS & MOORINGS | | 2009/2010 fee | 2008/2009 fee |
|--|------------------------------|---------------|---------------|
| Swing Mooring Site | / week | \$10.69 | \$10.35 |
| Pile Mooring | / week | \$16.82 | \$16.31 |
| Annual Berthage at Wharf-Paid 6 months in Advance-Incl. Electricity & Water | /metre length overall / year | \$134.44 | \$112.05 |
| Daily Berthage at Wharf - Includes Electricity & Water | /metre length overall / day | \$1.91 | \$1.87 |
| Annual Lay Up Berthage (20% Discount) - Includes Electricity & Water | /metre length overall / year | \$107.55 | \$89.64 |
| Daily Lay Up Berthage (20% Discount) - Includes Electricity & Water | /metre length overall / day | \$1.78 | \$1.49 |

| PORT - SLIPWAY | | 2009/2010 fee | 2008/2009 fee |
|---|-----------|---------------|---------------|
| Haulage (up / down) single cradle | up / down | \$610.88 | \$592.76 |
| Haulage (one way only) single cradle | one way | \$366.53 | \$355.67 |
| Daily Cradle Charge - single cradle - | / day | \$98.78 | \$95.91 |
| Haulage (up / down) tandem cradle | up / down | \$1,832.63 | \$1,778.06 |
| Haulage (one way only) tandem cradle | one way | \$1,099.58 | \$1,067.06 |
| Daily Cradle Charge - tandem cradle | / day | \$197.66 | \$191.81 |
| Site Charge for Sandblasting | / day | \$180.45 | \$175.11 |
| Long Term Hard Stand When Vessel is Removed from Cradle | / week | \$51.75 | \$50.23 |

| PORT - ELECTRICITY AND WATER | | 2009/2010 fee | 2008/2009 fee |
|--|--------------|---------------|---------------|
| Electricity Connection Fee | / connection | \$25.43 | \$24.81 |
| Electricity Supply Charge | / kwh | \$0.80 | \$0.68 |
| Labour to Connect Electricity | / hour | \$50.85 | \$49.61 |
| Labour to Connect Electricity | minimum | \$25.43 | \$24.81 |
| Water Connection Fee | / connection | \$15.86 | \$15.47 |
| Water Supply Charge | /m3 | \$0.98 | \$0.96 |
| Labour to Connect Water | / hour | \$50.85 | \$49.61 |
| Labour to Connect Water | minimum | \$25.43 | \$24.81 |
| PORT - VESSEL AND PLANT HIRE - EXTERNAL USE | | 2009/2010 fee | 2008/2009 fee |
| mv William Steer | / hour | \$504.00 | \$489.38 |
| Sounding Equipment | / hour | \$168.75 | \$163.80 |
| mv Kohatu II | / hour | \$158.29 | \$153.68 |
| mv Barge 2 | / hour | \$80.72 | \$78.36 |
| Dredge | / hour | \$285.92 | \$277.59 |
| Punt | / day | \$23.29 | \$22.61 |
| Rowing Boat | / day | \$23.29 | \$22.61 |
| JCB Tractor 514 | / hour | \$64.52 | \$62.61 |
| JCB Platform 515 | / hour | \$60.86 | \$59.06 |
| Dyna Truck 513 | / hour | \$39.83 | \$38.64 |
| Ford Utility 530 | / hour | \$39.83 | \$38.64 |
| Toyota Utility 045 | / hour | \$39.83 | \$38.64 |
| Trailer 518 | / hour | \$13.05 | \$12.66 |
| Air Compressor 509 | / hour | \$68.29 | \$66.26 |
| Water Sprinklers | / day | \$15.58 | \$15.13 |
| PORT - STAFF HIRE - EXTERNAL | | 2009/2010 fee | 2008/2009 fee |
| Harbourmaster | / hour | \$92.70 | \$90.00 |
| Harbour Supervisor - Ordinary Time | / hour | \$65.19 | \$63.28 |
| Harbour Supervisor - Outside Normal Hours | / hour | \$65.19 | \$63.28 |
| Other Staff - Ordinary Time | / hour | \$51.13 | \$49.61 |
| Other Staff - Outside Normal Hours | / hour | \$51.13 | \$49.61 |
| <i>Notes :</i> | | | |
| <i>(a) Statutory Holidays 150 % of the above</i> | | | |
| <i>(b) Callout not arranged during normal working hours incurs a 4 hour minimum charge</i> | | | |
| Diver - Charged in 10 Minute Units | / hour | \$195.53 | \$189.84 |

[9] council controlled organisations

Council is involved with two organisations that meet the definition of a Council Controlled Organisation (CCO) per the Local Government Act 2002. They are:

- Tourism West Coast
- West Coast Rural Fire Authority

Council decided in 2006 to exempt these organisations as CCOs due to the relatively small nature and limited scope of the respective organisations. In reviewing the exemptions in April 2009 Council has resolved that the exemptions will still continue.