Summary

GREY DISTRICT
Draft Long Term Plan
2012 - 2022

What is the long term plan?

Councils have a requirement to produce a Long Term Plan at least once every three years. Three years ago we produced the 2009 – 2019 Grey District Long Term Community Outcomes Plan after extensive consultation. Since this time there has been a slight amendment to the Local Government Act 2002 which reduces some of the amount of information required to include in our plans. It is fair to say the intention of the plan remains the same, that is; an integrated planning document

This Draft 2012 - 2022 Grey District Long Term Plan (LTP) represents our effort to demonstrate Council's goals for delivery of the various activities it is involved in and how we see the activities of Council contributing to the overall wellbeing of the district. The plan covers a ten year period from 01 July 2012 to 30 June 2022 and explains what Council intends to do and what the cost will be. It is the product of extensive public consultation including seeking public input on this

From the Mayor & CEO

Welcome to the Summary version of our Draft 2012 – 2022 Grey District Long Term Plan.

Council is proud to present this plan as a summary of its service delivery and vision for the district over the coming years. We welcome the opportunity to have the discussion with you as the community on what your views are of the same. As such this is a draft plan that will be finalised in June 2012 based on Council's consideration of the public input received.


image courtesy of Nicki Mora

Looking ahead over such a long period is never easy and we are the first to admit that the future will no doubt differ to what we foresee here. This however emphasises the need to plan for the future so we are in a position to react and adjust to whatever environment we find ourselves in. Recent history has provided all too real examples with the global economic recession, the Canterbury Earthquakes as well as the Pike River disaster. Council strongly supports the principle of looking into the future and to signal its vision and the implications thereof for our community to see and understand.

Three years ago when we were preparing the last long term plan we were in the early stages of the current global economic recession. This led Council to deliver a plan that was strongly influenced by an overall desire to deliver existing services without any significant cost increases. This was confirmed by the 2 subsequent Annual Plans in 2010 and 2011. This didn't prevent however some significant additions in the community facilities provided with the opening of the Grey District Aquatic Centre and more recently the Spring Creek Swimming Pool in Runanga. There has also been on-going enhancement to recreation areas in Moana (foreshore area) Cobden (wetland area) and the new coastal pathway (Blaketown to Taramakau). Alongside of this Council has concentrated on maintaining the delivery of service with its core activities of roading, water supply, water disposal, and solid waste (refuse) disposal.

In our plan you will see we are proposing much of the same. The focus continues on providing our existing levels of service, whilst limiting the increases in revenue we raise from rates. An important part of the plan is emphasising the strategy Council is using to achieve this and the implications of Council's direction.

Challenges to Council achieving this goal are presented where we need to upgrade our services, either bought about where new standards/legislation demand it and/or where the community mandates it. This plan includes options on a number of such projects, the more significant being:

- Water supply treatment upgrades to meet drinking water standards for Greymouth. (We will also be asking the smaller communities of Runanga, Dobson, Taylorville, and Stillwater on their preference for treatment upgrades)
- New sewerage scheme for Dobson/Taylorville/Kaiata
- New recycling initiatives (both 'bring to' and 'kerbside')

Where relevant we will specifically consult with the affected communities in addition to the consultation process outlined in this plan, to ensure everyone has their fair chance of having their say.

From year 2 of the plan we are also signalling the need to renew the underground sewer network in Runanga and Dunollie, to prevent failings of the system becoming more frequent. It is planned to carry out this renewal work over a 12 – 13 year period, concentrating on the worst areas first. This requires a significant rate input from these residents.

As referred to above we will be seeking specific input from the areas of:

- Runanga/Dunollie/Rapahoe/Coal Creek;
- Dobson/Taylorville; and
- Stillwater

with respect to the future of their water supplies. Current drinking water standards are that these schemes need to be upgraded to provide filtration at the source. This involves a significant capital cost, as well as increased operating and maintenance costs for the schemes. We haven't included these costs in our draft plan; largely based on the concern of Council that other priority infrastructure demands will present a significant cost increase for the communities. However we will specifically seek the views of the community, including looking at the issues of:

- Upgrading the schemes now based on current options/subsidies
- Looking at alternative options such as connecting to the Greymouth scheme
- Emphasising potential implications, including the risk of losing any subsidies if schemes aren't upgraded within specified timeframes

In the meantime we will continue to:

- Discuss with Central Government options for extending the compliance dates
- Discuss with Central Government options for higher financial assistance than those already available

Council also seeks to use every opportunity to use funds available externally to provide new services or increases the level of service provided already. Some of these opportunities present a chance to provide something the community wants, whilst limiting the amount that is needed to be met from rates. In this plan you will note we are signalling a number of projects, such as:

- The Miners Recreation Centre (indoor sports stadium). It is hoped that this can be fully funded via external fundraising (rate input from year 4 of this plan to fund operational costs).
- Southern Breakwater viewing platform, to enhance the area for visitor use (funded from Development West Coast's Extraordinary Distribution Fund)
- Northern Breakwater recreation area, including enhancing and emphasising the unique ecological values of the area (funded from Development West Coast's Extraordinary Distribution Fund)

The operation and maintenance of the new facilities will need to be met from a mix of user fees and Council rates.

Whilst we have strived in recent years to limit cost increases passed on to you as a community, we recognise that rates make up a significant portion of household or business expenditure. We therefore will continue to seek efficiencies and deliver value for money services by spending our income as prudently as we can.

In closing, thank you for taking the time to read our plan and we hope you feel encouraged to have your input. Council is confident about the future of our District.

Tony Kokshoorn
MAYOR

Paul Pretorius
CHIEF EXECUTIVE OFFICER

Overview

Council is involved in a wide range of activities that each presents its own unique funding requirements and challenges. Council is tasked with balancing the needs and wants of the community with the ability and willingness to pay. Our Financial Strategy outlines the key issues that Council has considered when setting the financial parameters of funding sources and application of the funds raised. Any decisions by Council have an impact on the future, so a key part of this strategy is to highlight any future implications.

The District has over recent years experienced moderate growth, and is currently enjoying a small amount of growth. This is in spite of the impact of external factors of the global recession and Canterbury earthquakes on the local economy. Council expects, and has forecasted for this plan, for the small amount of growth to continue (on average 0.4% per annum or approximately 40 new properties per annum). On this basis Council is estimating that the population will grow slightly to approximately 14,000 by year 10 of this plan. Land usage is predicted to remain largely as is designated now.

Council's decisions for levels of funding for this plan are largely driven by the desire to provide the existing levels of service within current levels of rating. The plan reflects the cost increases that will incur through expected rates amidst inflation (price increases) and growth (increase in demand). Council's financial strategy can therefore be summarised as:

Continuing to deliver the existing levels of service whilst limiting general rate increases to within 1% of annual inflation; and

Passing on the costs of increases in levels of service to those who benefit, through the use of sources such as targeted rates

Council is however tasked with looking after the interests of the current residents and ratepayers and future generations. It therefore needs to take into account the effect of the decisions it makes now, and consider the impact on future residents and ratepayers. An example of this would be to increase borrowing now by an amount that will create too high a burden in the future to meet repayments.

Council through this Strategy signals what it believes is the right balance between:

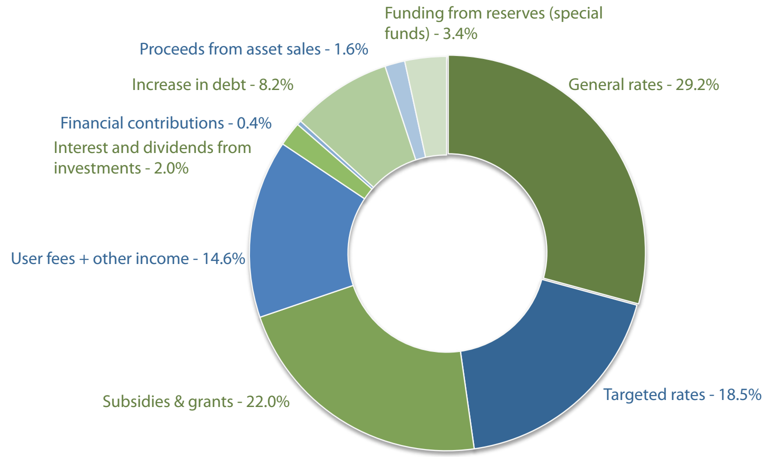
- delivering affordability for current generations;
- maintaining existing levels of service;
- balancing the funding of assets across their useful lives, i.e. so that future generations that also benefit from such assets, pay their fair share
- limiting the increase in debt levels to maintain a strong balance sheet, and keep future debt repayments to affordable levels

Summary of our finances

Sources of funding – how we pay for services:

FUNDING BY SOURCE	proposed 2012/2013 $000	proposed 2012/2013 %	total in 10 year plan $000	total in 10 year plan %
General rates	8,297	17.6%	97,880	29.2%
Targeted rates	5,216	11.1%	62,153	18.5%
TOTAL RATES	**13,513**	**28.6%**	**160,033**	**47.8%**
Subsidies and grants	10,105	21.4%	73,742	22.0%
User fees and charges and other income	3,898	8.3%	48,972	14.6%
Interest and dividends from investments	677	1.4%	6,651	2.0%
Development and financial contributions	56	0.1%	1,212	0.4%
Increase in debt	13,980	29.6%	27,547	8.2%
Gross proceeds from sale of assets	180	0.4%	5,487	1.6%
Funding from reserves (special funds)	4,778	10.2%	11,429	3.4%
TOTAL FUNDING	**47,187**	**100.0%**	**335,073**	**100.0%**

Relative funding over the 10 years of this plan:



General rates - payable by all properties

- general rate increases in-line with expected annual inflation increases. The exceptions to this is an additional increase in year 4 to provide the required rate input into the operational costs of the new Miners Recreation Centre (stage 2 of the Grey Aquatic Centre)

Targeted rates

- increases in-line with any increases in levels of service provided (e.g. where Council is proposing to introduce sewerage to communities there will be an associated increase in the targeted rates payable by such communities)
- Increases where there is significant renewal work required due to the present condition of assets. This applies to Runanga/Dunollie wastewater
- targeted rates required for funding on-going operations and maintenance to increase by no more than annual inflation

User fees and charges

- User fees increases in line with annual inflation. Notable exceptions are for disposal of solid waste (refuse) where to meet on-going cost increases to Council (e.g. Emissions Trading Scheme) fees will increase up to 60%

Subsidies and grants

- A large part (approximately 18%) of Council's revenue is made up from financial assistance received from NZTA. In year 1 of this plan and then in year 2 the subsidy rates reduce by 1% both for financial assistance received for maintenance and capital expenditure. Council will absorb this reduction in income by reducing some expenditure items in roading and other activities.
- Subsidies are also used towards funding other capital works, mainly:
  - Ministry of Health subsidies towards new sewerage scheme in Taylorville/Dobson/Kaiata (50% of the total capital cost)
  - Ministry of Health subsidies towards upgrading water supplies to meet new drinking water standards. The subsidies are only available for the smaller schemes of Runanga/Rapahoe, Dobson/Taylorville, and Stillwater.

Increase in debt

- New debt will be raised towards funding of new capital projects, where the benefit of the new asset is spread over a number of years into the future (intergenerational equity). This will see debt increase from the current level of $15.8m to $29.5m over the life of this plan.

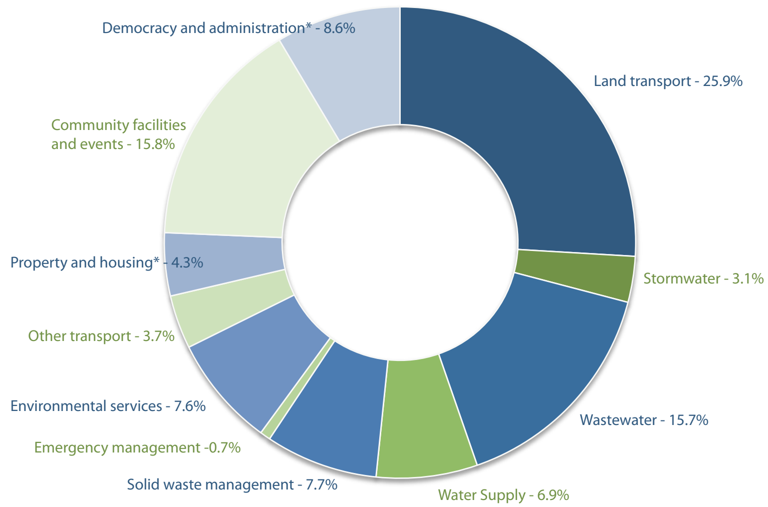
Funding from reserves (special funds)

- Reserve funds will be used to fund specific projects where the money had been committed for that purpose. Discretionary reserve funds will be used to a small extent to fund projects where Council sees there is an overall benefit to proceed with the projects, without funding from rates.

Use of funds – where the expenditure goes

TOTAL FUNDS APPLIED BY CATEGORY	proposed 2012/2013 $000	proposed 2012/2013 %	total in 10 year plan $000	total in 10 year plan %
Payments to staff and suppliers	14,693	31.1%	174,147	52.1%
Finance costs	1,272	2.7%	19,455	5.8%
Capital expenditure				
—to meet additional demand	1,000	2.1%	1,000	0.3%
—to improve the level of service	23,413	49.6%	47,643	14.2%
—to replace existing assets	5,359	11.4%	64,438	19.2%
Repayment of debt	363	0.8%	13,826	4.1%
Transfer to reserves (special funds)	1,098	2.3%	14,148	4.2%
Net movement in investments	(11)	0.0%	416	0.1%
Total funds spent	**47,187**	**100.0%**	**335,073**	**100.0%**

Relative expenditure per activity over the 10 years of this plan:



** activity expenditure net of overheads recovered from other activities*

Expenditure for operations and maintenance

- Council will maintain current levels of service, which will see current levels of expenditure increase with expected levels of inflation plus growth.

Renewal of existing assets:

- Council is signalling to replace or renew assets to maintain existing levels of service throughout the life of this plan; except for:
  - Port of Greymouth: There is no replacement of assets signalled in this plan. Council will be continually reviewing its investment in the port and limiting the expenditure it is required to meet. Of note, it is highly likely the port will need dredging within the life of this plan to maintain access as is available at present (the port was last dredged in 2010 and is expected to maintain current depths for up to 7 years). Council is not intending to fund dredging if and when required in the future.
- For funding of the replacement of assets beyond the life of this plan refer information below under 'key issues'.

Repayment of debt:

- Council utilises debt to fund new assets when there is a longer term benefit. Generally Council will finance these loans over either the life of the assets or 30 years (whichever is the lesser). Council will then raise the revenue year to year to meet the repayments and interest costs.

New capital expenditure (new assets):

- Generally Council associates new capital expenditure with an increase in the level of service provided. For example this could be a new indoor sports stadium that offers opportunities not previously available or a new sewerage scheme for a community that has previously not had a reticulated sewerage network. Council is signalling in this plan a relatively large amount of expenditure developing new assets (approximately $49 million). This is however limited to a small number of projects, the more significant being as follows:

Capital Expenditure signalled in this plan:

project	expenditure in the plan ($000)	description
Roading safety improvements	3,019	Council spends an annual amount upgrading roads to improve safety. This receives financial assistance (subsidy) from New Zealand Transport Agency of 60%
Road strengthening	1,763	Strengthening of existing roads that are currently used for heavy haulage (years 1 - 4 and year 7). This receives financial assistance (subsidy) from New Zealand Transport Agency of 70%
Rough River Bridge replacement	3,826	Replacement of the Rough River Bridge, on the border of the Grey and Buller districts. This receives financial assistance (subsidy) from New Zealand Transport Agency of 70%. The remaining cost will be shared between the eventual owner of the Pike River Mine, Grey District Council, and Buller District Council (assuming it is still a required transport route for the mine)
Bridge Strengthening	338	Strengthening of the Arnold River Bridge on the Arnold Valley Rd (year 10). This receives financial assistance (subsidy) from New Zealand Transport Agency of 70%
Greymouth Sewerage Scheme	14,074	The remaining cost of the new sewerage scheme for the greater Greymouth area. This has received approximately 30% subsidy from central government. The remaining costs have been mainly funded from a targeted rate on the benefiting properties (via loan repayment).
Dobson/Kaiata/Taylorville Sewerage Scheme	7,070	A new scheme for these areas that will be funded 50% from central government subsidy, and the remaining from a targeted rate on the benefiting properties (via loan repayment)
Greater Greymouth Water Supply - Filtration upgrade	1,017	Upgrade required to meet new drinking water standards (year 1). Costs met from a targeted rate against the benefiting properties (via repayment of a loan).
McLeans Landfill	4,821	Development of new cell (3rd cell of 5) for disposal of non-recyclable/re-usable material. This is signalled for year 10. The work will be funded from a loan that is repaid from users of the landfill.
Commercial/Industrial Land development	1,025	Subdivision of Port of Greymouth land with the intention of selling on the open market for profit. Costs incurred Year 1, with intention of selling land years 1 - 6. Development costs met from a loan to be repaid from land sale proceeds.
Miners Recreation Centre	9,000	New indoor sports stadium to be developed as stage 2 of the Greymouth Aquatic Centre (years 1 - 4). The development is to be funded from external grants.
Council's core IT system	524	Replacement and implementation of Council's legacy core financial, regulatory and planning system.

image courtesy of Stewart Nimmo

What are the key issues?

Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?

Many of the assets that Council is responsible for last well beyond the life of this plan, and many have useful lives that last a number of generations. The challenge for Council is to spread the fair cost of these assets equally amongst those that benefit from the use of the assets, also into the future.

Council's operating expenses do not include capital expenditure on constructing or replacing assets. The cost of using these assets is recognised through depreciation. Depreciation is a non-cash expense and may be more or less than the amount spent each year replacing assets. Depreciation allocates the cost of each asset over the period of time that it is used. For example, if a bridge costs $1 million and is expected to last 100 years, the depreciation on the bridge would be $10,000 per year. This represents the cost of being able to use the bridge each year. If ratepayers each year pay $10,000 towards the cost of the bridge then they are paying their fair share (and only their fair share) of the long-term cost of using the bridge.

When operating revenue equals or exceeds operating expenditure (including depreciation) this is referred to as a balanced budget. Where there is a deficit this means that current ratepayers are not paying their fair share of the long-term costs of the services they are receiving. A surplus may indicate that revenue is set at a higher level than is necessary to maintain existing levels of service in the long-term, or that a "catch up" is needed because not enough revenue was collected in the past.

We highlight the activities here that form the most significant part of the deficits. We also present the deficits as the most prudent approach to Council's funding requirements over the next 10 years. Information is provided on what the implications will be (i.e. funding increases required) in the future, beyond the life of this plan. Council is presenting this approach on behalf of the community as it firmly believes it strikes the correct balance between affordability and the funding requirements of the current and future generations.

The main reason for the overall surplus across the ten years of the plan is that there are a number of one-off capital contributions/subsidies in the first three years of the plan

Land transport (roading)

image courtesy of Stewart Nimmo

In the last long term plan the land transport activity was generating reasonably sized deficits in most years. Given this being an essential service, Council's strategy at the time was to look at ways of specifically addressing the issue in the development of this plan. This plan signals that land transport will have a near balanced budget. This has been achieved by:

- Critically reviewing what is spent on maintenance of roads vs. renewing roads, resulting in an increase in renewal works and corresponding decrease in maintenance without an associated decrease in levels of service
- Prioritising the renewal and replacement of existing assets above the creation of new assets.

Beyond the life of this plan modest funding increases will be required via general rates to fully fund the activity. The annual rates increases required will be approximately $90,000.

Options:

1. Do you agree with Council's approach for **land transport** in this plan?

   Pros: It keeps costs down now, whilst maintaining assets/services to current levels
   Cons: Rates will have to increase in the future, with a small amount of 'catch-up' funding required.

2. Should we start increasing income **now** to fully fund the activity? (e.g. an additional $10,000 (0.12%) rate increase year on year for the next 10 years)

   Pros: Spreads the required increase over a longer period, and is a fairer distribution of everyone paying their fair share.
   Cons: Rates increase now

Stormwater

The last long term plan forecast the activity to run at an annual deficit. This forecast continues and, in fact increases due to the increased replacement cost of stormwater assets based on the latest valuation. The average annual deficit signalled in this plan is $355,000. Of this $53,000 relates to depreciation on the Greymouth floodwall which is not funded by the Grey District Council, as it is not responsible for replacing the asset. The annual deficit that Council will have to fund in the future is therefore approximately $300,000. Being an annual deficit this accumulates, i.e. these deficits over the 10 year life of this plan will accumulate to approximately $3,000,000. Excluding the depreciation on the floodwall the average annual depreciation provision for Stormwater is approximately $710,000. This is compared to the average amount Council is signalling to spend on renewals of $389,000 per year.

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.

Council is signalling its intention to accumulate this deficit on the basis that:

- It does not result in a decrease in level of service in this plan,
- It recognises that income will need to increase in the future to fund renewal works when they are required, and
- It is equitable to pass future renewal work costs on to future communities, given the current community is funding sewerage upgrade costs. Once sewerage schemes have been paid for in approximately 30 years income can be directed towards stormwater renewals.

Based on the deficits signalled in this plan the increase required in revenue to fully fund the activity is equal to approximately a permanent 4.5% increase in the general rate. Given the majority of stormwater costs are funded through rates then it is the most likely funding source in the future.

Options:

1. Do you agree with Council's approach for **stormwater** in this plan?

   Pros: It keeps costs down now, whilst maintaining assets/services to current levels
   Cons: Rates will have to increase in the future, with 'catch-up' funding required.

2. Should we start increasing income **now** to fully fund the activity? (e.g. an additional $32,000 (0.40%) rate increase year on year for the next 10 years)

   Pros: Spreads the required increase over a longer period, and is a fairer distribution of everyone paying their fair share.
   Cons: Rates increase now

Sewerage

In recent times Council has invested a large amount in the development and upgrade of sewerage schemes (e.g. Paroa/South Beach in the 1990's and greater Greymouth 2004–2014). This not only relates to the provision of a better service but also focuses on the mitigation of associated health risks facing communities.

This plan signals a new scheme for Dobson/Kaiata/Taylorville. The scheme involves a large amount of capital expenditure on new assets. The addition of the new assets will also increase the annual depreciation expense, i.e. the total expenses for the activity will increase.

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

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

The sewerage scheme servicing the townships of Runanga and Dunollie is also required to have extensive renewal (pipe replacement) work undertaken. Due to the conditions of the pipe network the system experiences relatively frequent failures (such as overflows), and as such has not delivered the useful life that would have been intended when the scheme was constructed in the 1970s. Our asset condition information indicates that this work should be carried out over the next 6 – 8 years. Due to the significant cost implications on these communities Council is signalling to stage the work over 12 years. Naturally the worst areas will be prioritised to be replaced earlier, and the system as a whole will be consistently monitored to ensure there is no significant decrease in levels of service caused by the extended renewal. If this occurs the renewal work may need to be accelerated, and therefore the total funding requirements met from targeted rates on the community will happen sooner.

Options - Dobson/Taylorville/Kaiata **sewerage** scheme:*

1. Should a new scheme be installed in these townships?

   Pros: It addresses a long standing issue with a number of failing on-site systems in the area. It makes use of available subsidies (50% of capital cost). It would allow for easier 'in-fill' development in the areas.
   Cons: Rates will have to increase substantially to fund the work.

* Council will be carrying out futher community consultation on this issue

Options - Runanga/Dunollie **sewerage** scheme renewals:*

1. Should the renewals be carried out as signalled here?

   Pros: It spreads the required rate increases over more years (12 years).
   Cons: The system may have an increase in the number of failures (e.g. overflows onto property).

2. Should the renewals be carried out as signalled here?

   Pros: The scheme can be renewed to full performance. and the number of failures will begin to reduce sooner
   Cons: Rates will increase more quickly than signalled in this plan. (i.e. by year 10 of this plan each ratepayer would be paying an additional $100 per year).

* Council will be carrying out further community consultation on this issue

Water supplies

Council is faced with the challenge of ensuring that its public water supplies comply with the latest Drinking Water Standards (DWS). Based on current legislation and regulations this will mean that the treatment on our supplies will have to be upgraded as follows (note Blackball supply is already compliant)

- Stillwater – 1st July 2015
- Dobson-Taylorville – 1st July 2014
- Runanga-Rapahoe: 1st July 2014
- Greymouth: 1st July 2013

Each of these scheme upgrades require a significant capital investment, which is funded from a targeted rate against the communities (there are subsidies available and the costs per property referred to below are net of available subsidy). The increased treatment of the water also requires additional operational and maintenance costs, again funded from a targeted rate against the communities.

Council has included in year one of this plan the upgrade cost for the Greymouth supply (greater Greymouth area, Blaketown. Cobden, Boddytown, Karoro, South Beach, Paroa). This is by far Council's largest supply, and the additional cost per property is approximately $20 per year.

Council has not included the costs and funding required to upgrade the Runanga, Dobson/Taylorville, and Stillwater supplies. The relative costs involved to also upgrade the 3 remaining supplies are as follows:

Capital Cost for upgrading the schemes:

	YEAR 1	YEAR 2	YEAR 3
	$000	$000	$000
Runanga Filtration		1,252	
Dobson Taylorville Filtration		618	
Stillwater Filtration			556

Council would loan fund its required share of the capital cost (total net cost net of any subsidy received), and repay the loan over 30 years using additional rates per property to meet the loan repayments. In addition to this the additional plant would require additional maintenance and operating costs each year to run. These costs are also recovered from the targeted rate applied to each property in the respective areas.

The **ADDITIONAL** annual cost per rateable property to cover the costs outlined above is as follows:

		from year
Runanga Filtration	$ 230.00	year 2
Dobson Taylorville Filtration	$ 170.00	year 2
Stillwater Filtration	$ 130.00	year 3

Based on the current legislation and regulations this will mean that Council will be in breach of Drinking Water Standards. Council has no intention to deliberately breach these standards, but is favouring further lobbying of central government to either:

- extend the minimum compliance dates; or
- provide further financial assistance to upgrade the schemes

In the event that this is unsuccessful Council will be required to include in future Annual Plan budgets the required projects to ensure the water schemes do comply (i.e. the Runanga and Dobson/Taylorville upgrades will be required to be included in the 2013/2014 Annual Plan). As referred to above Council has no intention of being in the position of having non-compliant schemes. The consequences of this would be the potential of 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

What should be we be doing to comply with drinking **water** standards?*

1. Should we be asking for further time to comply?

   Pros: It defers any associated rate increases required to fund the upgrades.
   Cons: May lose the apportunity to receive subsidies towards the upgrades, which will increase the rate input required if upgraded in the future. Some schemes may become contaminated from time to time. If schemes are found not to be complying with standards, Council is at risk of receiving fines.

2. Should we upgrade the schemes now?

   Pros: Council is providing water schemes that are have less risk from contamination
   Cons: Additional cost to be met by ratepayers.

* Council will be carrying out further community consultation on this issue on specific options

Port of Greymouth

In the last long term plan the Port was signalled as a difficult challenge for Council, and it continues to be so. This plan is signalling an average annual deficit for the port of $462,000 over the 10 years. This deficit alone accounts for the same amount of the entire deficit on Council's operations. Part of the deficit is that the annual depreciation of $200,000 is not funded, i.e. Council is not renewing the assets at the port and has not done so for many years. The remaining deficit generating from maintenance and operational costs has over the past 15 years been funded from proceeds from port endowment land sales. This Plan signals that the time has arrived where there will not be sufficient land available to be sold to maintain port operations as they currently are.

The practical options available to Council therefore are (one or a mix of the following):

- Reduce port services to reduce expenditure
- Fund port operations from other sources such as rates
- Change ownership model, i.e. Council to divest a part or all of its interest in the port operations.

Council's strategy for addressing the on-going port deficit is to:

- Reduce debt immediately by transferring some of the non-operational port land holdings to Council's property activity (this occurs prior to the commencement of this plan). Although an internal transfer this will mean the value of the land transfer will be used to repay port debt. Council will assume the development of this land as part of its property portfolio. The decrease in port debt will reduce the amount of interest payable.
- Accumulate the deficits over the first 3 years of this plan whilst Council carefully considers its future options with the port investment (estimated at approximately $500,000)

In the event that Council is not able to divest a large part of its current operational responsibilities and/or reduce operating expenditure Council will be left with little option apart from increasing revenue sources. It is accepted that current fees charged for users at the port are at or near their market competitive limit..

Therefore the majority of any future funding increase is most likely to be met from rates.

Options:

1. Should we reduce our **port** expenditure further?

   Pros: It would reduce the on-going deficits.
   Cons: May have negatively impact on the viability of the port sustaining a fishing industry.

2. Should we provide more rate input into running of the **port**?

   Pros: It would reduce the on-going deficits as well as provide more certainty to current and potential users of the port.
   Cons: Additional cost to be met by ratepayers, of up to $460,000 per year (5.8% rate increase).

Aquatic Centre/Miners' Recreation Centre

These facilities have been/will be funded from a mix of external contributions (grants and fundraising) and ratepayer input. The ratepayer input is by way of a loan funded over 30 years on the Aquatic Centre. Because a large part of the funding of these assets is generated from external sources Council is not fully funding the depreciation on the basis that to replace these assets will require either one or more of the following in the future:

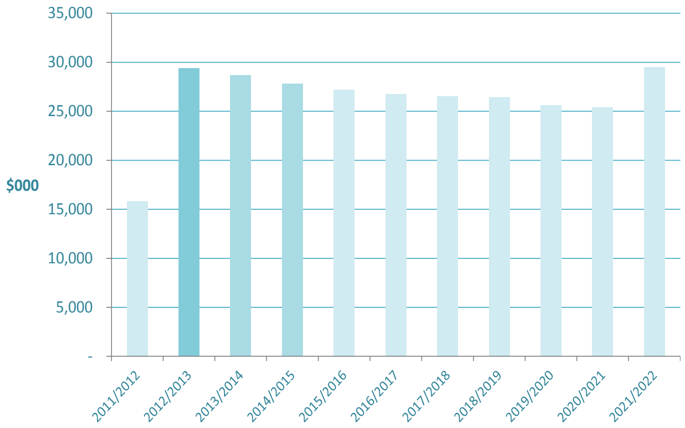
- An increase in revenue from rates
- External fundraising from grants/donations per the original funding.

Given the current community is meeting the ratepayer input and was responsible for the external fundraising (which does not show as on-going annual income) Council is signalling that the depreciation will not be fully funded, and therefore the activity budget is not balanced.We are signalling to meet all the anticipated maintenance and renewal costs associated with plant items at the Aquatic Centre. Also the total anticipated operating costs of the proposed Miners Recreation centre have been included in this plan.

Is the level of debt signalled sustainable?

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

total forecast Council debt



As Council increases debt levels it stands to reason that the decisions will limit Council's opportunities to increase debt over the longer term until debt is repaid. Council feels that what is signalled in this plan strikes the right balance between sharing the costs of new assets, whilst still retaining flexibility into the future to raise debt for new projects.

Council's debt limits

how do the above forecast debt levels compare to our policy limits?

	maximum levels forecast for this plan	forecast levels by year 10 of this plan
Total debt as a % of total assets (policy limit 20%)	8.4% in year 1	7.0%
Total debt per rateable property (policy limit $4,500)	3,462 in year 1	3,324
Total debt as % of total revenue (policy limit 135%)	103.5% in year 1	94.0%
interest expense as % of total revenue (policy limit 15%)	7.7% in year 4	6.9%

Do you agree that Council's use of debt prudent?

Council believes the use of debt as signalled strikes the right balance of spreading the cost of new assets over an extended period, so that those who benefit from their use pay their fair share.

To use less debt would require Council to either increase revenues (i.e. rates) more to cover some or all of the related expenditure, or reduce expenditure.

Are the levels of service able to be provided and maintained?

Council has an extensive level of information about its significant assets. This information is contained in separate Activity Management Plans (AMPs). The AMPs also contains detailed service level information such as network condition and capacity, response to service requests, and criteria for maintenance, renewals and upgrades. Council uses this information to plan the required level of operational input required and maintenance

image courtesy of Nicki Mora

of assets required to maintain the current level of service.

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

Council's insurance cover

Just as many individuals and business owners have experienced recently, Council has had challenges to face to place insurance cover on our assets; and fund the required cover

Pre the 2010 and 2011 Canterbury earthquakes Council was spending a total of approximately $240,000 per annum to place cover on the majority of insurable risks (buildings and contents, underground pipes, plant, and liabilities). In 2011/2012 similar cover cost approximately $500,000. This included Council reducing the amount of cover on any assets that may not be replaced after a total loss (e.g. Port good sheds). Some of our insurance policies also have increased excesses (deductibles) in the event of an earthquake. This means in the event of a claim post-earthquake we will have to meet a greater share of the cost before we can claim on our policies. In 2011 Council increased the funding in its 'Disaster Recovery Reserve' to partly address this possibility.

We have assumed for the purposes of this plan that our insurance cover will cost a similar amount as 2011/2012 (plus inflation), and as such this has been included in the budgets as signalled. These costs are met from a mix of rates and user fees depending on the activities involved.

Earthquake prone buildings

Councils are required to have a policy on earthquake prone buildings. The policy is intended to set out the approach that the territorial authority is taking with regard to earthquake-prone buildings, in particular the upgrade of buildings so that they are no longer earthquake-prone. As a building owner itself, GDC needs to comply with the earthquake prone building policy, health and safety responsibilities and other statutory requirements. To this end we are undertaking engineering assessments of our own buildings that potentially do not meet the minimum requirements of the building code (e.g. History House, Art Gallery). At the stage of preparing this plan we do not have enough detail on the potential impact on our own buildings, however Council has committed itself in this plan to provide the levels of service currently provided at these facilities. Depending on the outcomes of building assessments the way it is delivered may change.

Recycling

Council is currently in the final stages on negotiating a contract to cover the solid waste operations for the district (refuse collection, recycling, and landfill operation). We have signalled in this plan for:

- kerbside recycling (due to start September 2012) in the greater Greymouth urban area (Greymouth, Blaketown, Cobden, Karoro, South Beach, Paroa etc...). Recyclables to be picked up will cover suitable plastics, paper, cardboard, suitable metal etc.., however will not include glass or green waste;
- a 'bring to' recyling centre at McLeans Landfill, where recylables can be dropped off at no charge; and
- refuse collection to continue in other areas where it is currently provided and where kerbside recyling isn't implemented

Kerbside recycling and refuse collection costs continue to be met froma targeted rate whilst landfill costs are met from a mix of user fees (dump charges etc...) and general rates

Should Council be doing more to encourage recycling?

1. Should the proposed areas for kerbside recycling be extended?

   Pros: Additional waste potentially diverted from the landfill, extending its useful life.

   Cons: Increased costs, with many of the same communities already facing potential increases to fund sewerage and water supply upgrades..

2. Should we collect a wider range of materials with kerbside recycling?

   Pros: Additional waste potentially diverted from the landfill, extending its useful life.

   Cons: Green waste and glass are more costly to collect and process, with a lower return on the product. Therefore additional cost would need to be met from the targeted rate (estimated additional $60 - $80 per annum)

Is our budget balanced?

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

	current budget 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
Total operating revenues	27,663	28,401	35,815	27,463	26,324	27,042	27,590	28,974	30,284	30,738	31,392
Total operating expenses	23,148	23,983	26,293	27,322	28,093	28,536	29,802	30,371	30,948	32,288	33,426
Net surplus/(deficit)	**4,515**	**4,418**	**9,522**	**141**	**(1,769)**	**(1,494)**	**(2,212)**	**(1,397)**	**(664)**	**(1,550)**	**(2,034)**

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.

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)

The main contributors to the annual deficits (un-balanced budget) are:

	current budget 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
Land transport	**(403)**	**3,574**	**(213)**	**(241)**	**(59)**	**(71)**	**(406)**	**278**	**300**	**184**	**(195)**
Stormwater	**(359)**	**(369)**	**(365)**	**(408)**	**(386)**	**(368)**	**(419)**	**(403)**	**(377)**	**(444)**	**(420)**
Wastewater	**2,849**	**581**	**5,450**	**(538)**	**(482)**	**(416)**	**(392)**	**(329)**	**(244)**	**(263)**	**(186)**
Other transport (includes Port of Greymouth)	**(419)**	**(169)**	**(342)**	**(395)**	**(513)**	**(404)**	**(575)**	**(590)**	**(99)**	**(664)**	**(711)**
Community facilities and events (includes Aquatic Centre & Miners Recreation Centre)	**2,339**	**695**	**4,881**	**1,426**	**(752)**	**(724)**	**(763)**	**(761)**	**(761)**	**(832)**	**(819)**

Council has decided for the purposes of this plan that to accumulate these deficits is the most prudent approach, in that it strikes a balance between what the community can afford as well as meeting the needs of both the present and future communities. As outlined above the options to reduce these deficits are largely limited to increasing revenue from rates (by the amounts as outlined above in the 'key issues' section).

summary financial statements

Forecast statement of comprehensive income

	current 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
INCOME											
Rates revenue	12,752	13,513	14,136	14,636	15,215	15,716	16,232	16,788	17,370	17,916	18,511
Other revenue and other gains/(losses)	14,911	14,888	21,679	12,827	11,109	11,326	11,358	12,186	12,914	12,822	12,881
Total income	**27,663**	**28,401**	**35,815**	**27,463**	**26,324**	**27,042**	**27,590**	**28,974**	**30,284**	**30,738**	**31,392**
EXPENDITURE											
Employee expenses	4,082	4,471	4,620	4,765	5,080	5,227	5,385	5,546	5,711	5,883	6,066
Depreciation and amortisation	8,232	8,018	8,471	9,321	9,394	9,394	10,150	10,186	10,226	11,051	11,249
Other expenses	9,992	10,222	11,049	11,151	11,579	11,918	12,299	12,679	13,092	13,470	13,934
Finance costs	842	1,272	2,153	2,085	2,040	1,997	1,968	1,960	1,919	1,884	2,177
Total operating expenditure	**23,148**	**23,983**	**26,293**	**27,322**	**28,093**	**28,536**	**29,802**	**30,371**	**30,948**	**32,288**	**33,426**
Net surplus/(deficit) before tax	**4,515**	**4,418**	**9,522**	**141**	**(1,769)**	**(1,494)**	**(2,212)**	**(1,397)**	**(664)**	**(1,550)**	**(2,034)**
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council	**4,515**	**4,418**	**9,522**	**141**	**(1,769)**	**(1,494)**	**(2,212)**	**(1,397)**	**(664)**	**(1,550)**	**(2,034)**
OTHER COMPREHENSIVE INCOME											
Increase in asset revaluation reserve	-	-	23,402	-	-	24,187	-	-	25,696	-	-
Total comprehensive income	**4,515**	**4,418**	**32,924**	**141**	**(1,769)**	**22,693**	**(2,212)**	**(1,397)**	**25,032**	**(1,550)**	**(2,034)**

Forecast balance sheet (summary)

	current 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
ASSETS											
Current assets	12,425	15,742	16,581	15,248	14,184	14,419	15,505	16,504	17,901	19,048	19,960
Non current assets	338,911	332,980	366,135	365,608	363,091	384,825	381,340	378,928	401,924	399,133	400,442
TOTAL ASSETS	**351,336**	**348,722**	**382,716**	**380,856**	**377,275**	**399,244**	**396,845**	**395,432**	**419,825**	**418,181**	**420,402**
LIABILITIES											
Current liabilities	5,533	21,674	7,797	6,559	9,835	9,340	9,301	9,692	4,695	11,005	9,562
Non current liabilities	12,556	11,696	26,643	25,880	20,792	20,563	20,415	20,008	24,366	17,962	23,660
TOTAL LIABILITIES	**18,089**	**33,370**	**34,440**	**32,439**	**30,627**	**29,903**	**29,716**	**29,700**	**29,061**	**28,967**	**33,222**
EQUITY											
Total equity attributable to the Council	**333,247**	**315,352**	**348,276**	**348,417**	**346,648**	**369,341**	**367,129**	**365,732**	**390,764**	**389,214**	**387,180**
TOTAL EQUITY AND LIABILITIES	**351,336**	**348,722**	**382,716**	**380,856**	**377,275**	**399,244**	**396,845**	**395,432**	**419,825**	**418,181**	**420,402**

Forecast cashflow (summary)

	current 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
CASH FLOWS FROM OPERATING ACTIVITIES											
Total cash inflows from operating activities	27,054	28,137	34,251	28,236	26,396	26,589	27,308	28,574	29,433	30,463	31,183
Total cash outflows from operating activities	(14,917)	(15,488)	(18,117)	(18,052)	(18,648)	(19,103)	(19,593)	(20,128)	(20,685)	(21,166)	(21,991)
Net cash from operating activities	**12,137**	**12,649**	**16,134**	**10,184**	**7,748**	**7,486**	**7,715**	**8,446**	**8,748**	**9,297**	**9,192**
CASH FLOWS FROM INVESTING ACTIVITIES											
Total cash inflows from investing activities	14,037	17,344	18,890	19,296	20,517	21,250	22,876	23,420	26,698	26,142	27,424
Total cash outflows from investing activities	(27,080)	(45,190)	(36,520)	(28,467)	(26,640)	(27,652)	(28,961)	(31,183)	(32,934)	(34,724)	(39,193)
Net cash from investing activities	**(13,043)**	**(27,846)**	**(17,630)**	**(9,171)**	**(6,123)**	**(6,402)**	**(6,085)**	**(7,763)**	**(6,236)**	**(8,582)**	**(11,769)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	1,363	13,982	16,542	760	940	5,596	5,642	5,718	5,306	765	11,292
Repayment of borrowings	(466)	(365)	(17,278)	(1,616)	(1,542)	(6,048)	(5,847)	(5,813)	(6,148)	(973)	(7,192)
Net cash from financing activities	**897**	**13,617**	**(736)**	**(856)**	**(602)**	**(452)**	**(205)**	**(95)**	**(842)**	**(208)**	**4,100**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(9)	(1,580)	(2,232)	157	1,023	632	1,425	588	1,670	507	1,523
Cash, cash equivalents & bank overdrafts at the start of the year	7,216	7,207	5,627	3,395	3,552	4,575	5,207	6,632	7,220	8,890	9,397
Cash, cash equivalents & bank overdrafts at the end of the year	**7,207**	**5,627**	**3,395**	**3,552**	**4,575**	**5,207**	**6,632**	**7,220**	**8,890**	**9,397**	**10,920**

Rating information

Above we have outlined Council's overall funding required and where it will come from. What is generally of the most interest is what the proposed change to Council rates are. The table on the right summarises the proposed rate increases for next year, and the forecast rate increases for the remainder of the plan.

We have also demonstrated what the increases would be without the projects/new services that provide an increased level of service.

How these rate increases will impact on each individual property will depend on the actual individual charges that apply. We also revalue properties once every three years which will determine how much you pay in rates compared to other properties in the district (Council sets its general rate using land value).

You can search on Council's website what the proposed rates would be for 2012/2013 based on this draft plan.

rate increases:

The overall rate increases proposed for the first three years of the plan are:

Year One: 5.97%, Year Two: 4.61%, Year Three: 3.54%

Council is proposing that overall rate increases will be limited to no more than 6.0% in any one year. This figure is well above what Council is assuming as the rate of inflation. Therefore we have broken down the increases to:

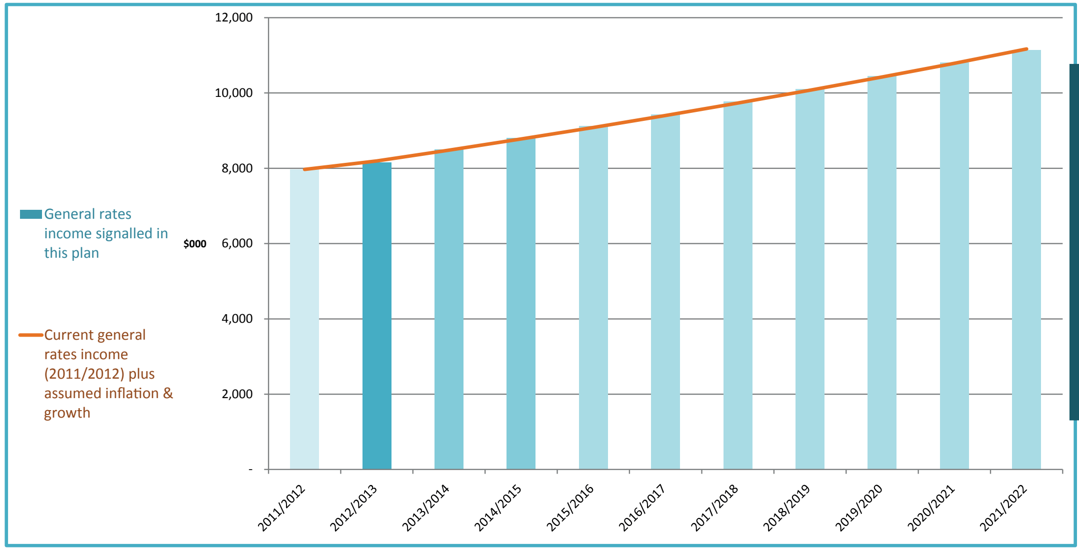
- What is the overall increase in rates income
- What is the increase if we exclude items that are related to Council undertaking significant new projects (i.e. those that aren't 'business as usual'). This is outlined in the table below where we display the increases excluding upgrade of Greymouth Water Supply (Greymouth Filtration), Proposed wastewater scheme for Dobson/Kaiata/Taylorville, Kerbside recycling, and costs of taking over the Kaiata water supply (at Kaiata park)

The increases excluding these new items are then limited to within 1% of inflation.

	current budget 2011/2012 $000	proposed 2012/2013 $000	estimated 2013/2014 $000	estimated 2014/2015 $000	forecast 2015/2016 $000	forecast 2016/2017 $000	forecast 2017/2018 $000	forecast 2018/2019 $000	forecast 2019/2020 $000	forecast 2020/2021 $000	forecast 2021/2022 $000
GENERAL RATES											
General Rates - Uniform Annual General Charge	2,458	2,616	2,739	2,860	3,084	3,160	3,247	3,342	3,429	3,538	3,633
General Rates - set on land value	5,511	5,543	5,761	5,946	6,041	6,273	6,522	6,769	7,022	7,266	7,503
TARGETED RATES											
District Promotion	209	222	226	230	235	239	244	249	254	259	264
Refuse Collection	915	1,100	1,139	1,179	1,220	1,263	1,308	1,354	1,402	1,451	1,502
Water Supplies	1,452	1,486	1,584	1,621	1,731	1,753	1,798	1,850	1,929	1,945	2,041
Water Meter Rates	328	338	350	362	375	388	401	416	430	445	461
Sewerage Collection	1,749	2,070	2,194	2,291	2,378	2,484	2,552	2,643	2,734	2,837	2,926
PENALTIES											
Rate Penalties	130	138	143	147	151	156	160	165	170	175	181
Total rates revenue	**12,752**	**13,513**	**14,136**	**14,636**	**15,215**	**15,716**	**16,232**	**16,788**	**17,370**	**17,916**	**18,511**
General rate increase		**2.38%**	**4.18%**	**3.60%**	**3.62%**	**3.38%**	**3.56%**	**3.50%**	**3.36%**	**3.38%**	**3.07%**
Overall TOTAL rate increase		**5.97%**	**4.61%**	**3.54%**	**3.96%**	**3.29%**	**3.28%**	**3.43%**	**3.47%**	**3.14%**	**3.32%**

PORTION OF RATE INCREASE RELATED TO SIGNIFICANT INCREASES IN LEVELS OF SERVICE

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
WATER SUPPLY											
Kaita Water Scheme			0.33%								
Greymouth Filtration		0.65%	0.18%								
WASTEWATER (SEWERAGE)											
Dobson/Taylorville/Kaiata Sewerage		1.73%									
SOLID WASTE MANAGEMENT (REFUSE & RECYCLNG)											
Refuse Collection/Recycling		1.45%									
rate increase without additional items		**2.14%**	**4.10%**	**3.54%**	**3.96%**	**3.29%**	**3.28%**	**3.43%**	**3.47%**	**3.14%**	**3.32%**



In this graph we show as the orange line "current rates + assumed inflation and growth".

We are signalling here what current rates would increase by if we added inflation plus income from additional rates assessments created through growth

If our rates income (blue bars) is higher than this line, then we are signalling that rates will have to increase by more than inflation to deliver the services proposed in this plan.

Rating information contd... proposed rates

To see how this affects your rates please refer to the Sample Properties on page 181 of the full Grey District Council Long Term Plan 2012 – 2022.

You can also see the rating impact on any property in the district by visiting our website; www.greydc.govt.nz and visiting the long term plan section

UAGC	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Rate	382.60	408.30	425.50	442.60

Residential - Zone 1	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
TOTAL Residential - Zone 1	0.009360	0.009380	+4.2%	+3.1%
TOTAL Residential - Zone 2	0.005590	0.005600	+4.2%	+3.1%
TOTAL Residential - Zone 3	0.004810	0.004820	+4.2%	+3.1%
TOTAL Rural Residential Use	0.003370	0.003380	+4.2%	+3.1%
TOTAL Rural Use	0.002960	0.002970	+4.2%	+3.1%
TOTAL Commercial - Zone 1	0.014740	0.014850	+4.2%	+3.1%
TOTAL Commercial - Zone 2	0.006520	0.006530	+4.2%	+3.1%
TOTAL Commercial - Zone 3	0.009910	0.009930	+4.2%	+3.1%
TOTAL Farming/Forestry	0.001360	0.001370	+4.2%	+3.1%

WASTEWATER (SEWERAGE)	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Blackball	505.00	515.10	525.40	535.90
Greymouth	501.70	525.60	551.00	576.00
Karoro	245.40	284.40	293.30	295.10
Runanga	180.60	187.50	265.80	312.10
South Beach/Paroa	209.50	248.30	256.60	257.70
Moana	212.50	221.60	232.50	237.20
Dobson/Taylorville/Kaiata	-	954.70	986.10	1,014.30
Te-Kinga	586.60	638.50	666.60	694.50
South Beach Loan	432.40	432.40	432.40	432.40

WATER	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Greymouth	364.50	371.80	372.30	380.10
Runanga	245.20	250.10	255.10	260.20
Dobson/Taylorville	333.90	340.60	342.30	350.70
Stillwater	428.10	436.70	437.80	446.30
Blackball	433.60	442.30	451.10	460.10
South Beach Water Loan	151.30	151.30	151.30	151.30

METERED WATER	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Rate	1.10	1.13	1.16	1.19

REFUSE COLLECTION	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Residential	152.90	182.50	188.00	193.60
Residential (within proposed kerbside recycling area)	187.90	233.50	240.50	247.70
Commercial - Twice Weekly Collection (where available)	305.80	365.00	376.00	387.30

DISTRICT PROMOTION	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Rate	0.000862	0.000860	+2%	+2%

DISTRICT PROMOTION Bed and Breakfast/Homestay/Farmstay	current rates 2011/2012	proposed rates 2012/2013	estimated rates 2013/2014	estimated rates 2014/2015
Rate	155.70	158.80	162.00	165.20

Policy changes

As part of our long term planning we require a number of policies that provide the basis for a number of key aspects. These include:

- a revenue and financing policy;
- a liability management policy;
- an investment policy;
- a policy on development contributions or financial contributions;
- a policy on the remission and postponement of rates on Maori freehold land; and
- a rates remission policy (optional policy)

The 2012 - 2022 long term plan contains no significant amendments to the current versions of the above policies. The Revenue and Financing policy contains a more summarised approach on the 'how and why' Council funds each activity. This is available in the full version of the long term plan. We have also made minor amendments to our liability management policy and investment policies that allow us to invest in a wider range of institutions and borrow from a wider range. These policies are available on our website.

Audit report

The Draft Grey District Council Long Term Plan 2012 - 2022 has been audited by Audit New Zealand to ensure the information complies with the requirements of the LocalGovernment Act. The plan received an unmodified opinion, which means that the plan covers the key issues and is a suitable document for public consultation.

A copy of the full Auditor's opinion is included in the full plan.

Council's vision for the district: community outcomes

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.

how Council determined its strategic vision?

In 2011 Council had a number of workshops where they looked at:

- How they see the makeup of District in 5, 10, 20, and 50 years
- What are the relative Strengths and Weaknesses of the District
- What role Council plays in the development of the District

As an outcome of these planning workshops, Council settled on its overall vision for the District to be:

The Grey District will be a progressive, sustainable area where people want to live, work, play, and invest

Council then looked at more specific aspects of their vision. In realising this Vision, Council will work to achieve the following outcomes:

ONE	Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient
TWO	Providing affordable, quality essential services
THREE	Building identity through diverse quality recreational and cultural facilities
FOUR	The district has access to quality education facilities
FIVE	The district has access to quality health facilities and regulation
SIX	Personal and property safety
SEVEN	Sustainable management of our environment

Council will be satisfied that it is achieving the overall vision and outcomes when:

☑	There is a well-established culture within Council to consult, to be transparent, fair and equitable and to be accountable to the public.
☑	When Council processes are clear, easy to follow and reflect industry best practice and staff demonstrate an on-going commitment to customer service
☑	When Council services compare favourably with peer local authority standards in New Zealand, both in relation to quality and price.
☑	When the District boasts a diverse range of community, cultural, and recreational facilities and this translates into a happy, active community, proud to live in the District.
☑	When the Region enjoys prosperity and the cooperation between the local authorities maximize efficiency.
☑	When the District offers opportunities for all to fulfil their aspirations.

Making progress towards achieving the outcomes will need to be a collective effort with other agencies; it is not only up to the Council. Council will therefore 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. Council uses a number of indicators to assess our progress towards achieving these outcomes, however it is fair to say we concentrate on measuring Council's own contribution towards achieving the outcomes.

For further information

This plan is a summary of the full plan. Readers cannot expect to gain a complete understanding of all the issues that are covered in the full plan by referring to this summary alone. The summary does however identify what Council considers to be the key issues that should be bought to everyone's attention.

Copies of the full plan are available from Council's main office, Tainui St, Greymouth, or electronically from www.greydc.govt.nz

Having your say

the submission process

this is a draft version of the plan, which means it is open for public input (your input). Submissions are able to be made up until 5.00PM on 28 May 2012.You are welcome to have your input on any part of the plan (or multiple parts of the plan. Council will consider all submissions made, including listening to anyone who takes the opportunity to speak to their submission. This will happen in early June at a date to be confirmed.

what shouldn't you make a submission on?

The Plan as a whole is open for submission. Often people make submissions about areas of Council business that are outside the scope of the Long Term Plan. The following list summarises the issues most commonly put forward as a submission on the Long Term Plan but which fall outside the scope of this planning process and it explains the best way to provide feedback in each case.

zoning and land use

If you want to alter a zoning of an area, or do not want to have to apply for a permit to subdivide land:

- Go to the District Plan at www.greydc.govt.nz under the planning section
- Submit to Plan Changes as they come up from time to time.
- Take advice from Planning staff on how to best achieve your goal. Whilst they may not be able to advise you fully until your full development plan is available, you can expect an objective and helpful steer from them.
- Speak with your elected representatives.

day-to-day issues

If you, for example want something done about potholes, weeds on a footpath, rubbish and debris somewhere, roaming dogs, broken streetlights etc. This is best addressed by contacting Council on 03 769 8600, or info@greydc.govt.nz.

Submissions must be received by 5.00PM on the 28 May 2012, and late submissions cannot be considered.

- Submissions are heard and considered at a public meeting†. You can speak to Council in support of your submission, however you don't have to if you prefer not to.
- Please indicate clearly on your submission if you would like the opportunity to speak at the public meeting
- Please provide full details of who is making the submission including the name of the group you represent if applicable. No anonymous submissions can be accepted.
  o Name & Address & Contact telephone number and email if available
- Council will have a better understanding of your submission if you:
  o clearly state the issue you want the Council to consider;
  o state what specific action you think the Council should take; and
  o state the reason(s) why it should be done.

It is a good idea to contact your local Councillor to discuss district issues and the plan, but please note that only written submissions will be formally considered by Council

A submission can be in any written form as long as it contains the information as outlined. Submissions can be sent by:

mail:	fax:	email:	hand deliver:
Draft Annual Plan Grey District Council PO Box 382 GREYMOUTH 7840	03 769 8603	submission@greydc.govt.nz	Council's main office, or Runanga service centre.

† As submissions form part of a public process we are legally required to make all written or electronic submissions available to the public, including the name and address of the submitter.

Name ____________________

Organisation (if any) ____________________

Postal Address ____________________

telephone ____________________

email ____________________

Do You wish to be heard in support of your submission? YES ☐ NO ☐

Please write your comments here (continue on additional paper if necessary)

____

Submissions close 5.00PM : 28 May 2012