

# Grey District Council Long Term Plan 2012 - 2022





**Grey District Council**

**Long Term Plan**

**2012 – 2022**

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

# table of contents

|                |   |            |
|----------------|---|------------|
| <b>PART A:</b> | <b>Introduction and Summary .....</b>                         | <b>5</b>   |
| [1]            | Message from the Mayor and CEO.....                           | 6          |
| [2]            | Key Council contact information.....                          | 8          |
| [3]            | Your Council .....  | 9          |
| [4]            | Audit opinion .....   | 10         |
| [5]            | About the plan.....   | 14         |
| [6]            | The Grey District today and going forward.....                | 17         |
| <b>PART B:</b> | <b>Council’s strategic vision: community outcomes.....</b>    | <b>23</b>  |
| <b>PART C:</b> | <b>Council’s financial strategy .....</b>                     | <b>33</b>  |
| [1]            | Strategy focus.....   | 34         |
| [2]            | Summary.....  | 34         |
| [3]            | Key financial questions .....                                 | 38         |
| [4]            | Financial trends.....   | 43         |
| [5]            | Statement concerning balancing the budget.....                | 50         |
| <b>PART D:</b> | <b>What Council does: groups of activities .....</b>          | <b>52</b>  |
| [1]            | Land transport.....   | 53         |
| [2]            | Stormwater.....   | 61         |
| [3]            | Wastewater (sewerage) .....                                   | 69         |
| [4]            | Water supply.....   | 76         |
| [5]            | Solid waste (refuse and recycling) .....                      | 85         |
| [6]            | Emergency management.....                                     | 93         |
| [7]            | Environmental services.....                                   | 100        |
| [8]            | Other transport.....  | 108        |
| [9]            | Property and housing.....                                     | 117        |
| [10]           | Community facilities and events.....                          | 123        |
| [11]           | Democracy and administration.....                             | 134        |
| <b>PART E:</b> | <b>Council finances and rating information .....</b>          | <b>142</b> |
| [1]            | Introduction .....  | 143        |
| [2]            | Key assumptions applied in the preparation of this plan ..... | 144        |
| [3]            | Risk assessment on key assumptions .....                      | 148        |

|                |  |            |
|----------------|--|------------|
| [4]            | Budgeted Statement of Comprehensive Income.....                                | 151        |
| [5]            | Forecast movements in equity .....   | 152        |
| [6]            | Forecast balance sheet.....  | 153        |
| [7]            | Forecast cashflow .....  | 155        |
| [8]            | Notes to the forecast financial statements .....                               | 156        |
| [9]            | Summary of significant accounting policies.....                                | 160        |
| [10]           | Funding impact statement and rates required.....                               | 169        |
| <b>PART F:</b> | <b>Other information.....</b>  | <b>194</b> |
| [appendix A]   | Council special funds (reserve funds) .....                                    | 195        |
| [appendix B]   | Revenue and financing policy .....   | 219        |
| [appendix C]   | Significance policy .....  | 246        |
| [appendix D]   | Council Controlled Organisations (CCO's).....                                  | 249        |
| [appendix E]   | Development of Maori capacity to contribute to decision-making processes ..... | 250        |
| [appendix F]   | Fees and charges .....   | 251        |

# PART A: Introduction and Summary

# [1] Message from the Mayor and CEO

Welcome to the **2012 – 2022 Grey District Long Term Plan (LTP)**.

Council is proud to present this plan as a summary of its service delivery and vision for the District over the coming years. 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 this plan, 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. Please refer to the section on *Council's Financial Strategy* for the detail.

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

- Water supply upgrades to meet drinking water standards for our water supplies
- New sewerage scheme for Dobson/Taylorville/Kaiata
- New recycling initiatives (both 'bring to' and 'kerbside')

## Water and Sewerage

We have consulted with the affected communities on these projects, in addition to consulting on the Draft LTP.

As a result, from year 2 of the plan we are 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 the first phase of this renewal work over the period of this plan, concentrating on the worst areas first. This requires a significant rate input from these residents. It is also likely that a further similar sized area will require replacement in the 10 year period following this plan (2022 – 2032)

We have consulted with the following areas with respect to the future of their water supplies:

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

Current drinking water standards require that these schemes be upgraded to provide additional treatment at the source. This involves a significant capital cost, as well as increased operating and maintenance costs for the scheme. We have sought specific views of the community, including looking at the issues of:

- Upgrading the schemes 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

As a result of our discussions with the community we have signalled to include the Runanga Water Supply upgrade in year 2, assuming a 50% subsidy being applied to the project. We have also planned for the Dobson/Taylorville/Kaiata water supply to be connected to the Greymouth Water Supply in year 2 (50% subsidy assumed). In year 3 we are signalling to connect the Stillwater supply through to Dobson, which will in effect connect it through to Greymouth (80% subsidy assumed).

Additionally, 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

### Recycling

Council has committed to providing a kerbside recycling service to the greater Greymouth area, and will continue to provide the resource and recovery centres in the other townships. Council will be launching this initiative September 2012. Residents can expect to receive their wheelie bins in the month of August, and an information pamphlet will be sent out before the end of June 2012, explaining the change and the wheelie bin system.

### Other projects

Council will also seek to use every opportunity to use funds available externally to provide new services or increase 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.
- 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)

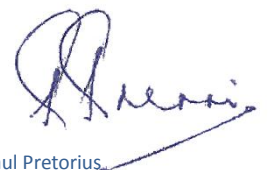
The operation and maintenance of the new facilities will be met from a mix of user fees and Council rates.

Whilst we have striven 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.

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**

# [2] Key Council contact information

|                  |  |
|------------------|--|
| Council contacts |  <p>Grey District Council<br/>105 Tainui Street<br/>P O Box 382<br/>Greymouth</p>   |
|                  |  <p>PO Box 382<br/>GREYMOUTH 7840</p>   |
|                  |  <p>Tel 03 769 8600   Fax 03 769 8603</p>   |
|                  |  <p>info@greydc.govt.nz</p>   |
|                  |  <p>web: <a href="http://www.greydc.govt.nz">www.greydc.govt.nz</a><br/>facebook: <a href="https://facebook.com/greydc">facebook.com/greydc</a><br/>twitter: <a href="https://twitter.com/GreyDistrict">@GreyDistrict</a></p> |
| Banker           |  <p>Westpac</p>  |
| Auditor          |  <p>Audit New Zealand, Christchurch<br/>on behalf of the Office of the Auditor General, Wellington</p>  |
| Solicitor        |  <p>Hannan &amp; Seddon, Greymouth</p>  |

# [3] Your Council

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



# [4] Audit opinion

**Independent Auditor's Report**

**To the readers of  
Grey District Council's  
Long-Term Plan  
for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 28 June 2012 for the ten years commencing 1 July 2012.

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 LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

**Opinion****Overall Opinion**

**In our opinion the District Council's LTP dated 28 June 2012 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.

**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; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

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.

**Implications of the District Council's financial strategy**

Without modifying our opinion, we draw your attention to pages 38 to 41, which set out the District Council's intention not to fully fund depreciation on some road, stormwater, sewerage, port, and community facility assets. As shown on pages 50 to 51, this has resulted in projected operating revenue being set at a level insufficient to meet all projected operating expenses for six of the ten years of the plan. The implications are that in future the District Council will have to:

- replace assets by increasing rates or funding from other sources; or
- not replace assets; or
- replace existing assets with assets that provide reduced levels of service.

Our report was completed on 28 June 2012. This 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 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 (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;

- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP 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 LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP 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**

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

#### **Responsibilities of the Auditor**

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

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

#### **Independence**

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

#### **Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan**

This audit report relates to the Long-Term Plan of Grey District Council for the ten years commencing 1 July 2012 included on the Council's website. Grey District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Grey District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since it was initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 28 June 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



# [5] About the plan

## [1] What is in the plan

### **PART A: Introduction**

This section provides summary information about our District and an overview of the plan

### **PART B: Community outcomes – Council’s Strategic Vision**

Council sets out what its strategic vision for the District is, beyond those things that the Council is directly responsible for. These are also referred to as *Community outcomes* (as they were called in previous long term plans). We link the strategic vision/community outcomes to the activities that Council undertakes to demonstrate how Council is contributing to their delivery.

### **PART C: Council’s Financial Strategy**

An important part of this plan is explaining and discussing the financial strategy of Council. The purpose of this is to describe the overall financial ‘direction’ of Council and set out the implications/consequences of the financial ‘direction’. This section includes Council setting a limit on rates and debt.

### **PART D: What Council Does – Reported by *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 activity goals and how they link to Council’s overall strategic direction.

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

### **PART E: Council’s finances and rating 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 for the 2012/2013 year, and an indication of what rates would be for future years of the plan.

### **PART F: Other Information**

This section provides an outline of the key Council policies and other relevant information required to assist with decision making and planning. There is also a schedule of the proposed fees and charges Council intends to set for the 2012/2013 year.

## [2] What is the ten year 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 **2012 - 2022 Grey District Long Term Plan (LTP)** represents our effort to demonstrate Council’s goals for delivery 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 the original draft version.

The first year of the plan (2012/2013) is also the Annual Plan for that year (i.e. there will be no separate annual plan produced for 2012/2013). It will be updated and revised every three years, based on inputs from within the community. In the second and third years (until the next review) we will prepare an Annual Plan for each year.

Should any significant deviation from this plan come up, a suitable amendment of this Plan will be consulted on.

## [3] What are activity management plans?

The information required to support and plan for the needs of each Council activity is vast. Therefore Council has Activity Management Plans for each individual activity delivered by Council. These provide the detailed analysis of all the relevant information, such as individual assets, required for each activity. Each Activity Management Plan therefore provides the foundation for the information that is presented in this plan. Each Activity Management Plan is publicly available on request.



#### [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.

#### [5] Council's strategic vision - community outcomes

Community outcomes can be considered the wider goals and aspirations of the community as a whole, describing what the community wants to achieve to make our place a desirable place to live. They are intended to promote a co-ordinated approach in the use of resources, so that the multiple parties involved can work together. In the past 2 long term plans Councils have had stringent requirements for identifying community outcomes for the district, and then reporting on the progress towards achieving these outcomes.

With recent amendments to local government legislation there is more discretion available to Councils as to how they approach the identification of community outcomes. Our Council has taken an approach to focus more on Council's contribution to the outcomes, in the context of considering an overall strategic vision for the district. This is discussed in further detail in the following section:

PART B: Council's strategic vision:  
community outcomes

#### [6] Influencing the plan (have your say)

This Plan should reflect the needs and wants of the community and it is most important that it gets as wide a public input as possible. Council actively encourages its community to read and understand the Plan and associated Activity Management Plans and to have their input on any changes, additions or omissions they believe Council should consider. This plan has been adopted following public consultation and Council considered over 80 submissions received.

#### [7] Relationship between the long term community outcomes plan and other documents



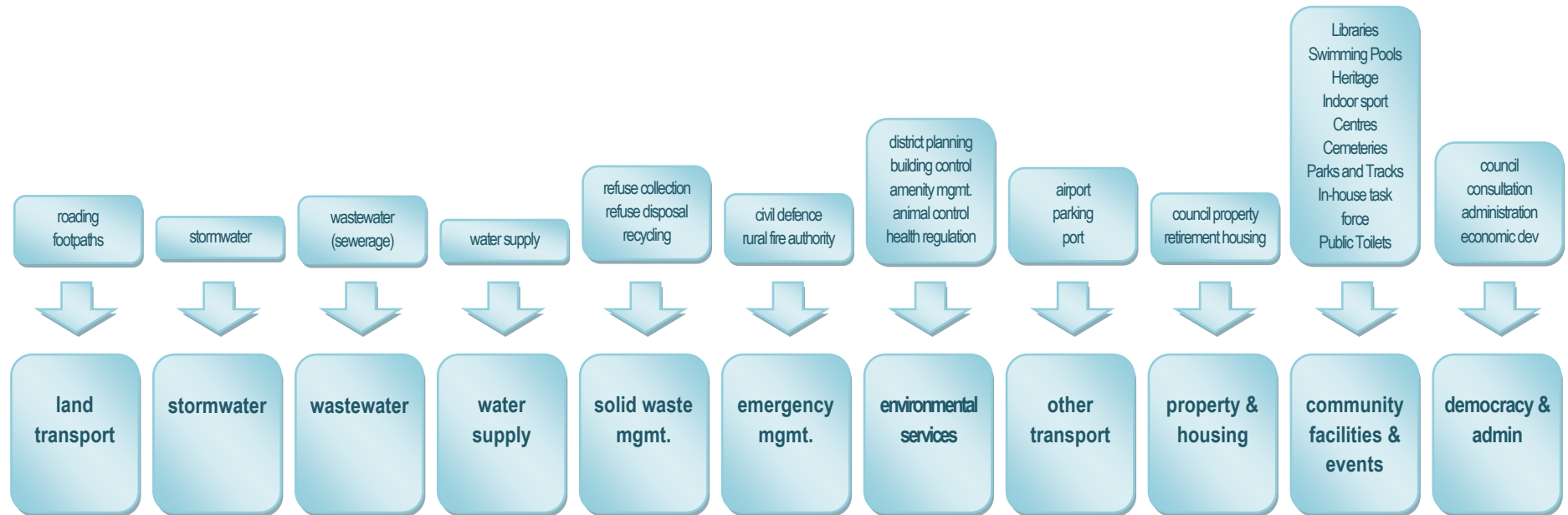
## [8] Grouping of Council activities (Groups of Activities – GOA)

Council is involved in a wide range of activities, and to provide information on each in detail in this plan would make it an even larger document than it is. We therefore group our activities (Group of Activities – GOA), using the following criteria to decide on the most appropriate grouping:

- The proportion of Council's turnover the activity makes up, e.g. and activity such as roading represents a significant proportion of Council's turnover, and therefore this alone presents a good enough reason to report this activity on its own. Likewise an activity that has little financial impact may be more likely to be grouped in with others;

- How similar activities are to another, e.g. activities such as Swimming Pools and Libraries are often referred to as community assets, as whilst they make an important contribution towards our community as a whole they are not considered essential services like are roading, water supply etc.... You will therefore see these type of activities grouped together in this plan.

The graphic below shows how our activities are grouped for this plan. They are largely as has been the way in recent years, except previously we had a group called 'Liaison with other Agencies' which included Council's involvement in such things as Restorative Justice, Safer Community Council, Big Brother Big Sister etc... As our role is largely administrative in these activities we have now included it in 'Democracy and Administration'



# [6] The Grey District today and going forward

## [1] Grey District now

### 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 inland to Inchbonnie and the Little Grey River at Ikamatua. It is a District with a vast diversity, rich in history and an abundance of character.

## Population

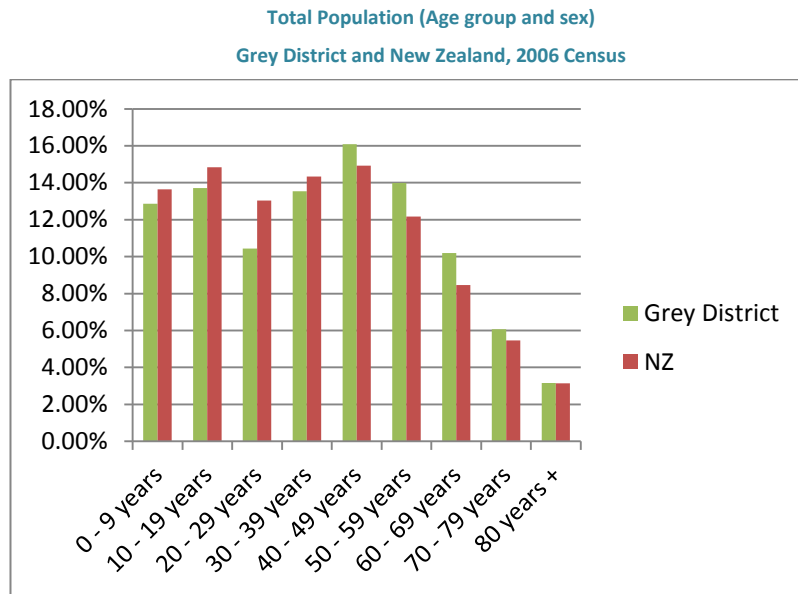
Although the West Coast region covers 8.7% of the land area of New Zealand, it has only 0.8% of the people. Most of the small population lives in towns near the mouths of major rivers, and the rest of the region is sparsely settled.

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 2011 | 13,890        | 32,940     | 4,405,300   |
| population change 2006 - 2011 (people) | 30 June 2011 | + 669         | + 1,614    | + 377,353   |
| population change 2006 - 2011 (%)      | 30 June 2011 | 5.1%          | 5.2%       | 9.4%        |

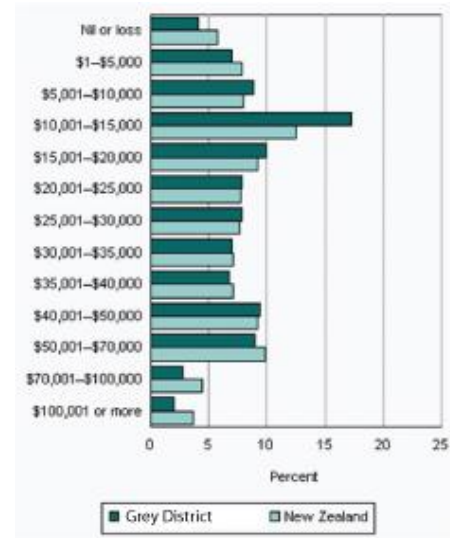
Age distribution of population as compared to the whole of New Zealand is displayed in the following graph (2006 census)<sup>1</sup>



- 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.

## 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.

<sup>1</sup> As widely publicised, the 2011 Census did not proceed due to the Canterbury earthquakes. The opinion of the Grey District Council is that the 2006 census statistics have not significantly changed, particularly those that are relevant to Council's planning and decision making. As a smaller district the Council also believes it is able to keep abreast of any changing makeup of the district.

## [2] The District in the future

As referred to elsewhere in this plan, Council is not predicting any substantial change to the make-up of the District over the 10 year period of this plan.

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 recession which continues to have an impact on the district. Other more localised events such as the Canterbury earthquakes also have a direct influence on the West Coast economy. We do know 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:

### 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 area 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. 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.

### Population projections

The usual resident population of the District is expected to increase to approximately 14,500 by 2022. This is a fairly conservative average annual increase of approximately 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.

### 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.

## 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 on-going threat of flooding, not only from the Grey, Taramakau and Arnold Rivers, but from the series of creeks running through communities, e.g. 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 on-going threat to whitebait breeding habitats

Our District still has a wide and important range of natural "sites" and features that help make 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.

## 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.

## 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.

## 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.

### **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 Long Term 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 PART E:[2] Key assumptions applied in the preparation of this plan page 144).

### **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.





# PART B: Council's strategic vision: community outcomes

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

## [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] Background

In 2003 Council consulted on a set of community outcomes that reflected the wider goals and aspirations of the community as a whole, describing what the community wanted to achieve to make our place a desirable place to live. In 2009 the outcomes were aligned with those with the other West Coast Councils to allow a greater amount of shared planning and reporting of achievement towards the outcomes.

With recent changes to local government legislation there is more discretion available to Council on what level of consultation they want to carry out in reviewing/determining the outcomes.

Our Council decided in 2011 that they would not carry out public consultation in determining the outcomes to be used in this plan; based on the principles of:

- The community outcomes set in 2003 and 2009 were quite similar, and the likelihood of significant change was low. Council did not want to unnecessarily consult with the community; and
- The Community Outcomes already largely represented the existing vision the Council had, as community leaders, of what they saw as the future wellbeing of the District.

Council decided to give greater focus to what it can achieve towards the on-going and future wellbeing of the district, by either providing the service directly or facilitating in the provision of the service from other agencies. The Council termed this as their *Strategic Vision for the Grey District*. Where we refer to *community outcomes* and *Council's strategic vision*, we are referring to the same thing.

## [3] 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:

|                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | There is a well-established culture within Council to consult, to be transparent, fair and equitable and to be accountable to the public.                                       |
| <input checked="" type="checkbox"/> | When Council processes are clear, easy to follow and reflect industry best practice and staff demonstrate an on-going commitment to customer service                            |
| <input checked="" type="checkbox"/> | When Council services compare favourably with peer local authority standards in New Zealand, both in relation to quality and price.   |
| <input checked="" type="checkbox"/> | 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. |
| <input checked="" type="checkbox"/> | When the Region enjoys prosperity and the cooperation between the local authorities maximize efficiency.  |
| <input checked="" type="checkbox"/> | When the District offers opportunities for all to fulfil their aspirations.   |

The group of activity statements in the plan clearly outline the links to Council’s strategic direction. Council is satisfied that it, by achieving the performance measures outlined in each of these group of activity statements, will achieve the outcomes as outlined above. Reporting against the achievement of such performance measures will be done in the Annual Report

## [4] How we will work with others to achieve the strategy outcomes

The initial Community Outcomes in 2003 and 2009 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 Iwi, stakeholder groups, businesses, government agencies, regional agencies and people across all sectors. Making progress towards achieving the 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.

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.

## [5] A ROADMAP TO ACHIEVING COUNCIL’S STRATEGIC VISION: Strategic vision and relationship with council activities

The tables below summarise the relationship between what Council does and the wider outcomes. As can be seen not all of the outcomes can be directly achieved by Council. The measures used to assess performance are in some cases indicative only and Council recognises that a lot of measurement will be a qualitative rather than a quantitative basis. Council is also committed to focussing on delivering the outcomes by adapting to the environment, and challenges that arrive, rather than focussing on achieving specific performance measures.

| <b>ONE Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient</b> |   |  |   |  |
|---|---|--|---|--|
| <b>FOCUS AREA</b>   | <b>ACTION</b>   | <b>COUNCIL'S CONTRIBUTION</b>  | <b>PRIMARY COUNCIL ACTIVITY INVOLVED</b>  | <b>MEASURES USED TO ASSESS PERFORMANCE</b>   |
| Commercial and Industrial development   | Ensure availability of land for development   | <ul style="list-style-type: none"> <li>We, through our Economic Development office, encourage private initiative in the provision of land for development</li> </ul>               | <ul style="list-style-type: none"> <li>Economic Development</li> <li>Property &amp; Housing</li> </ul>                          | <ul style="list-style-type: none"> <li>Success in soliciting private land development.</li> </ul>  |
|   | A District Plan that is flexible to meet the balanced needs of the community  | <ul style="list-style-type: none"> <li>Providing a District Plan that is easy to interpret and an efficient application processing service</li> </ul>                              | <ul style="list-style-type: none"> <li>Planning</li> </ul>  | <ul style="list-style-type: none"> <li>General stakeholder feedback</li> </ul>   |
|   | Provide quality access  | <ul style="list-style-type: none"> <li>We manage the District roading network (excl.SH) including footpaths, and other transport facilities of the port and airport</li> </ul>     | <ul style="list-style-type: none"> <li>Land Transport (roading)</li> <li>Planning</li> <li>Port</li> <li>Airport</li> </ul>     | <ul style="list-style-type: none"> <li>Quality and ease of road access to commercial area(s).</li> <li>Convenience and quality of footpaths.</li> <li>Information value of road signage.</li> </ul>  |
|   | Provide adequate, convenient parking  | <ul style="list-style-type: none"> <li>We manage the provision of parking and regulate to ensure optimal use.</li> </ul>   | <ul style="list-style-type: none"> <li>Parking</li> </ul>   | <ul style="list-style-type: none"> <li>Convenience and adequacy of parking.</li> <li>Availability of parking.</li> </ul>   |
|   | Address planning issues   | <ul style="list-style-type: none"> <li>Council is partnering the business community in the Town Development strategy aimed at addressing planning and layout issues</li> </ul>     | <ul style="list-style-type: none"> <li>Planning</li> <li>Economic Development</li> </ul>  | <ul style="list-style-type: none"> <li>Implementation of agreed corrective strategies.</li> <li>Success of corrective strategies implemented.</li> <li>Extent to which CBD is deemed as inviting and attractive.</li> </ul>                                |
|   | Address flooding issues in CBD within limitations of infrastructure   | <ul style="list-style-type: none"> <li>Council is responsible for all aspects of stormwater management</li> </ul>  | <ul style="list-style-type: none"> <li>Stormwater</li> </ul>  | <ul style="list-style-type: none"> <li>Success of system to deal with flooding events.</li> </ul>  |
| Tourism   | Promote the District as an attractive visitor destination and assist operators in making it a destination of preference.        | <ul style="list-style-type: none"> <li>We undertake the marketing of the District as part of the wider economic development function.</li> </ul>                                   | <ul style="list-style-type: none"> <li>Economic development</li> </ul>  | <ul style="list-style-type: none"> <li>Efficiency of marketing.</li> <li>Number of programmes developed in consultation with operators and industry.</li> <li>Level and success of Advocacy.</li> </ul>  |
|   | Provide quality access  | <ul style="list-style-type: none"> <li>We manage the District roading network including footpaths, traffic signage, street lighting, bridges and road safety programmes</li> </ul> | <ul style="list-style-type: none"> <li>Roading</li> <li>Planning</li> </ul>   | <ul style="list-style-type: none"> <li>Convenience and quality of road access to attractions.</li> <li>Functionality of footpaths.</li> </ul>  |
|   | Encourage use of Council owned facilities   | <ul style="list-style-type: none"> <li>We are directly responsible for a number of attractions</li> </ul>  | <ul style="list-style-type: none"> <li>Swimming Pools</li> <li>Arts Culture and Heritage</li> <li>Parks and Reserves</li> </ul> | <ul style="list-style-type: none"> <li>Level of tourist usage of facilities.</li> <li>Number of programmes developed aimed at attracting visitors.</li> <li>Regional/national tournaments played here.</li> </ul>  |
|   | Support for and funding of the Regional Tourism Organisation  | <ul style="list-style-type: none"> <li>Council strongly supports TWC as RTO and the principle of regional promotion.</li> </ul>  | <ul style="list-style-type: none"> <li>Economic Development</li> </ul>  | <ul style="list-style-type: none"> <li>Success of TWC in achieving performance measures agreed to jointly as Region.</li> <li>Level of funding provided as part of a joint funding arrangement.</li> </ul>   |
|   | Sustain the unique physical environment of the Grey District  | <ul style="list-style-type: none"> <li>Review and apply appropriate district planning rules</li> </ul>   | <ul style="list-style-type: none"> <li>Planning</li> </ul>  | <ul style="list-style-type: none"> <li>District Plan reviews</li> <li>Stakeholder surveys</li> </ul>   |
| Agriculture, Mining, Fishing and Forestry   | Promote these industries as important components of a diverse, growing economy.   | <ul style="list-style-type: none"> <li>Council has an important advocacy role as well as a promotion role</li> </ul>   | <ul style="list-style-type: none"> <li>Council (Democracy)</li> <li>Economic Development</li> </ul>                             | <ul style="list-style-type: none"> <li>Level and success of advocacy.</li> <li>Efficiency of marketing and programme development.</li> <li>Standard of interaction with the industries and associates</li> </ul>   |
| Economic Development  | Promoting: <ul style="list-style-type: none"> <li>Diversity</li> <li>Opportunity</li> <li>Employment</li> <li>Growth</li> </ul> | <ul style="list-style-type: none"> <li>Council, through its Economic Development and Marketing Office seeks to grow the local economy and to market the District.</li> </ul>       | <ul style="list-style-type: none"> <li>Economic development</li> </ul>  | <ul style="list-style-type: none"> <li>Success of marketing.</li> <li>Levels of diversity achieved.</li> <li>Youth retention levels.</li> <li>Employment opportunities for family members of professionals coming here.</li> <li>Growth levels.</li> </ul> |

| TWO  |   |   |  |  |
|--|---|---|--|--|
| Providing affordable, quality essential services |   |   |  |  |
| FOCUS AREA                                       | ACTION  | OUR CONTRIBUTION  | PRIMARY COUNCIL ACTIVITY INVOLVED  | MEASURES USED TO ASSESS PERFORMANCE  |
| Roading  | Provision of safe, convenient and durable road access within the District including signage, marking  | Council as road controlling authority is responsible for the provision of good roads (also bridges etc.) in the District which includes road safety promotion and management of road usage other than speed control | <ul style="list-style-type: none"> <li>Land Transport (roading)</li> </ul> | <ul style="list-style-type: none"> <li>Quality of roads.</li> <li>Durability of roads.</li> <li>Safety of roads.</li> <li>Relative affordability of service.</li> </ul>  |
|  | Promoting road safety   |   |  |  |
| Stormwater                                       | Providing stormwater collection and disposal services via reticulation and public drains to prescribed standards and within limitations of infrastructure | Council provides stormwater services in the form of reticulated systems and public drains in built-up areas throughout the District   | <ul style="list-style-type: none"> <li>Stormwater</li> </ul>               | <ul style="list-style-type: none"> <li>The number of flooding events recorded.</li> <li>The time taken to clear flooding.</li> <li>The level of flooding involved.</li> <li>The cost of the service compared to other local authorities of similar size.</li> </ul>    |
| Wastewater/Sewerage                              | Providing sewerage collection, treatment and disposal services in reticulated built-up areas  | Council provides sewerage services in reticulated areas in the District   | <ul style="list-style-type: none"> <li>Wastewater/Sewerage</li> </ul>      | <ul style="list-style-type: none"> <li>Compliance with Resource Consents and legislative requirements.</li> <li>Environmental issues i.e. odours.</li> <li>Reliability of service.</li> <li>Relative affordability of the service.</li> </ul>                          |
|  | Ensuring competence of on-site services in non-reticulated areas.   | Council has a health responsibility in relation to sewerage collection and disposal in non-reticulated areas  | <ul style="list-style-type: none"> <li>Health regulation</li> </ul>        | <ul style="list-style-type: none"> <li>Number/frequency of problems.</li> <li>Response times and success of interventions.</li> </ul>  |
| Water Supply                                     | Providing clean, potable water to communities connected to the reticulation or wanting to connect in line with MOH expectations.                          | Council sources water at 5 (soon 6) locations and distributes it to a variety of residential and rural residential areas.   | <ul style="list-style-type: none"> <li>Water Supply</li> </ul>             | <ul style="list-style-type: none"> <li>Water quality monitoring results.</li> <li>Cost of water compared to other similar sized local authorities.</li> </ul>  |
|  | Ensuring consistency of supply  |   | <ul style="list-style-type: none"> <li>Water Supply</li> </ul>             | <ul style="list-style-type: none"> <li>Number of service interruptions.</li> <li>Duration of service interruptions.</li> <li>Storage capacity available.</li> </ul>  |
|  | Regulatory oversight over health related aspect of private water supplies   | Council has certain regulatory responsibilities in relation to private water supplies   | <ul style="list-style-type: none"> <li>Health regulation</li> </ul>        | <ul style="list-style-type: none"> <li>Quality of supplies.</li> <li>Frequency of monitoring.</li> </ul>   |
| Solid waste management (refuse and recycling).   | Providing a competent waste collection, storage and disposal system for the District including management of McLeans landfill.                            | Council provides waste collection, storage and disposal service for the District.   | <ul style="list-style-type: none"> <li>Solid waste management</li> </ul>   | <ul style="list-style-type: none"> <li>Compliance with Resource Consents.</li> <li>Environmental concerns.</li> <li>Life of each cell at McLeans landfill.</li> <li>Relative affordability of the service.</li> </ul>  |
|  | Providing competent waste minimization processes including associated education of users.   | Council provides opportunities for residents to minimise their waste required to be disposed in a landfill  | <ul style="list-style-type: none"> <li>Solid waste management</li> </ul>   | <ul style="list-style-type: none"> <li>Volumes of waste going into the landfill.</li> <li>Efficiency/convenience of recycling collection facilities.</li> <li>Convenience of kerbside recycling.</li> <li>Coverage of the District with kerbside recycling.</li> </ul> |
|  | Providing functional litter management services including education   | Council, as part of its Health promotion and amenity responsibilities attend to the litter problem.   | <ul style="list-style-type: none"> <li>Amenity management</li> </ul>       | <ul style="list-style-type: none"> <li>Magnitude of littering as a problem.</li> <li>General appearance of the District.</li> <li>A decrease in numbers of incidents over the next 5 years.</li> </ul>   |

| THREE  |   |  |  |  |
|--|---|--|--|--|
| Building identity through diverse and quality and recreational and cultural facilities |   |  |  |  |
| FOCUS AREA   | ACTION  | OUR CONTRIBUTION   | PRIMARY COUNCIL ACTIVITY INVOLVED  | MEASURES USED TO ASSESS PERFORMANCE  |
| Recreation   | Provide and/or facilitate the provision of a diverse range of recreational facilities   | <p>Council owns and provides a range of recreational facilities including:</p> <ul style="list-style-type: none"> <li>• Civic Centre</li> <li>• Parks</li> <li>• Reserves (incl. walking tracks)</li> <li>• Coastal pathway</li> <li>• Aquatic Centre</li> <li>• Spring Creek Pool</li> <li>• Libraries</li> </ul> <p>Council also facilitates recreation through a range of events organised through Sport Canterbury (West Coast office)</p> | <ul style="list-style-type: none"> <li>• Civic Centre</li> <li>• Swimming pools</li> <li>• Miners' Recreation Centre</li> <li>• Parks and Reserves</li> <li>• Libraries</li> </ul> | <ul style="list-style-type: none"> <li>• Usage of facilities.</li> <li>• Standard of facilities.</li> <li>• Relative cost to users.</li> <li>• General resident feedback</li> </ul>          |
|  | Facilitate availability of other recreational facilities and provide financial and other assistance to providers of such facilities within budgets. | Council takes an interest in making sure that other recreational facilities are sustainable and does this through advocacy, cooperation and financial support. (Sports clubs, Regent Movie Theatres etc.)  | <ul style="list-style-type: none"> <li>• Economic Development</li> </ul>   | <ul style="list-style-type: none"> <li>• Standard of assistance given.</li> <li>• Level of sustainability achieved.</li> <li>• Popularity of the recreational services supported.</li> </ul> |
|  | Advocacy and facilitation   | Council acts as lobbyist and promoter for recreational service providers, i.e. for external funding  | <ul style="list-style-type: none"> <li>• Council (leadership)</li> <li>• Economic Development</li> </ul>   | <ul style="list-style-type: none"> <li>• Level of engagement.</li> </ul>   |
| Arts and Culture   | Provide or facilitate provision of a range of arts and cultural services/facilities.  | <p>Council owns and provides a range of arts and cultural facilities including:</p> <ul style="list-style-type: none"> <li>• History House</li> <li>• Pioneer library</li> </ul> <p>Council also facilitates art and culture through a range of events organised through Regent Theatre</p>  | <ul style="list-style-type: none"> <li>• History House</li> <li>• Libraries</li> </ul>   | <ul style="list-style-type: none"> <li>• Usage of facilities.</li> <li>• Standard of facilities.</li> <li>• Relative cost to users.</li> <li>• General resident feedback</li> </ul>          |
|  | Facilitate availability of other arts and culture facilities and provide financial and other support to providers of such facilities                | Council takes an interest in making sure that other arts and culture facilities are sustainable and does this through advocacy, cooperation and financial support. (Grey Heritage Trust, Regent Theatre, Art in the Park etc.)   | <ul style="list-style-type: none"> <li>• Economic Development</li> </ul>   | <ul style="list-style-type: none"> <li>• Standard of assistance given.</li> <li>• Level of sustainability achieved.</li> <li>• Popularity of the recreational services supported.</li> </ul> |
|  | Advocacy and facilitation   | Council acts as lobbyist and promoter for art and culture service providers i.e. for external funding  | <ul style="list-style-type: none"> <li>• Council (leadership)</li> <li>• Economic Development</li> </ul>   | <ul style="list-style-type: none"> <li>• Level of engagement.</li> </ul>   |
| Community  | Provide or facilitate provision of a range of community facilities.   | Council owns and provides a range of community facilities  | <ul style="list-style-type: none"> <li>• Libraries</li> <li>• Public toilets</li> <li>• Cemeteries</li> </ul>  | <ul style="list-style-type: none"> <li>• Usage of facilities</li> <li>• General resident feedback</li> </ul>   |

| <b>FOUR</b>  |   |   |  |  |
|--|---|---|--|--|
| <b>The district has access to quality education facilities</b> |   |   |  |  |
| FOCUS AREA   | ACTION  | OUR CONTRIBUTION  | PRIMARY COUNCIL ACTIVITY INVOLVED  | MEASURES USED TO ASSESS PERFORMANCE  |
| Schools, Tertiary training , and community education           | Facilitate availability of quality and variety of options throughout the District | Council has an advocacy and facilitation role   | • Democracy and Administration (leadership)  | <ul style="list-style-type: none"> <li>• Numbers of pre-primary, primary and High Schools available.</li> <li>• Coverage of the District.</li> <li>• Special needs coverage.</li> <li>• Quality of schooling.</li> </ul> |
| Good supportive facilities                                     | Facilitate and supply good supportive facilities                                  | Council owns and manages a range of facilities that support good schooling, i.e. <ul style="list-style-type: none"> <li>• Libraries</li> <li>• History house</li> <li>• Aquatic Centre/Runanga pool</li> <li>• Civic Centre/Miners recreation Centre</li> </ul> | <ul style="list-style-type: none"> <li>• Libraries</li> <li>• Civic Centre</li> <li>• History House</li> <li>• Swimming pools</li> </ul> | <ul style="list-style-type: none"> <li>• Availability of facilities to support education.</li> <li>• Use of facilities by education.</li> </ul>  |

| <b>FIVE</b>  |  |  |   |   |
|--|--|--|---|---|
| <b>The district has access to quality health facilities and regulation</b> |  |  |   |   |
| FOCUS AREA   | ACTION   | OUR CONTRIBUTION                               | PRIMARY COUNCIL ACTIVITY INVOLVED           | MEASURES USED TO ASSESS PERFORMANCE   |
| Grey Base Hospital   | <ul style="list-style-type: none"> <li>• Advocate for the provision of a full range of services at the Hospital</li> <li>• Advocate for and on behalf of the Hospital</li> </ul> | • Council has a facilitation and advocacy role | • Democracy and Administration (leadership) | <ul style="list-style-type: none"> <li>• Range of medical disciplines provided at the Hospital and alternative arrangements where services are not available locally.</li> <li>• Progress with new hospital.</li> <li>• Quality of services.</li> </ul> |
| Supportive Health services   | • Facilitate availability of professional health providers (e.g. GP's, Dentists etc...)  | • Council has a facilitation and advocacy role | • Democracy and Administration (leadership) | <ul style="list-style-type: none"> <li>• Range of services provided.</li> <li>• Availability of health professionals to deliver the services.</li> </ul>  |
| Food safety  | • Ensure a high standard of safety of food served to the public in the District  | • Inspection and licensing of food outlets     | • Health Regulation                         | <ul style="list-style-type: none"> <li>• Food outlets maintaining a high standard of food safety.</li> <li>• Food outlets reflecting their grading for customers to see.</li> </ul>   |

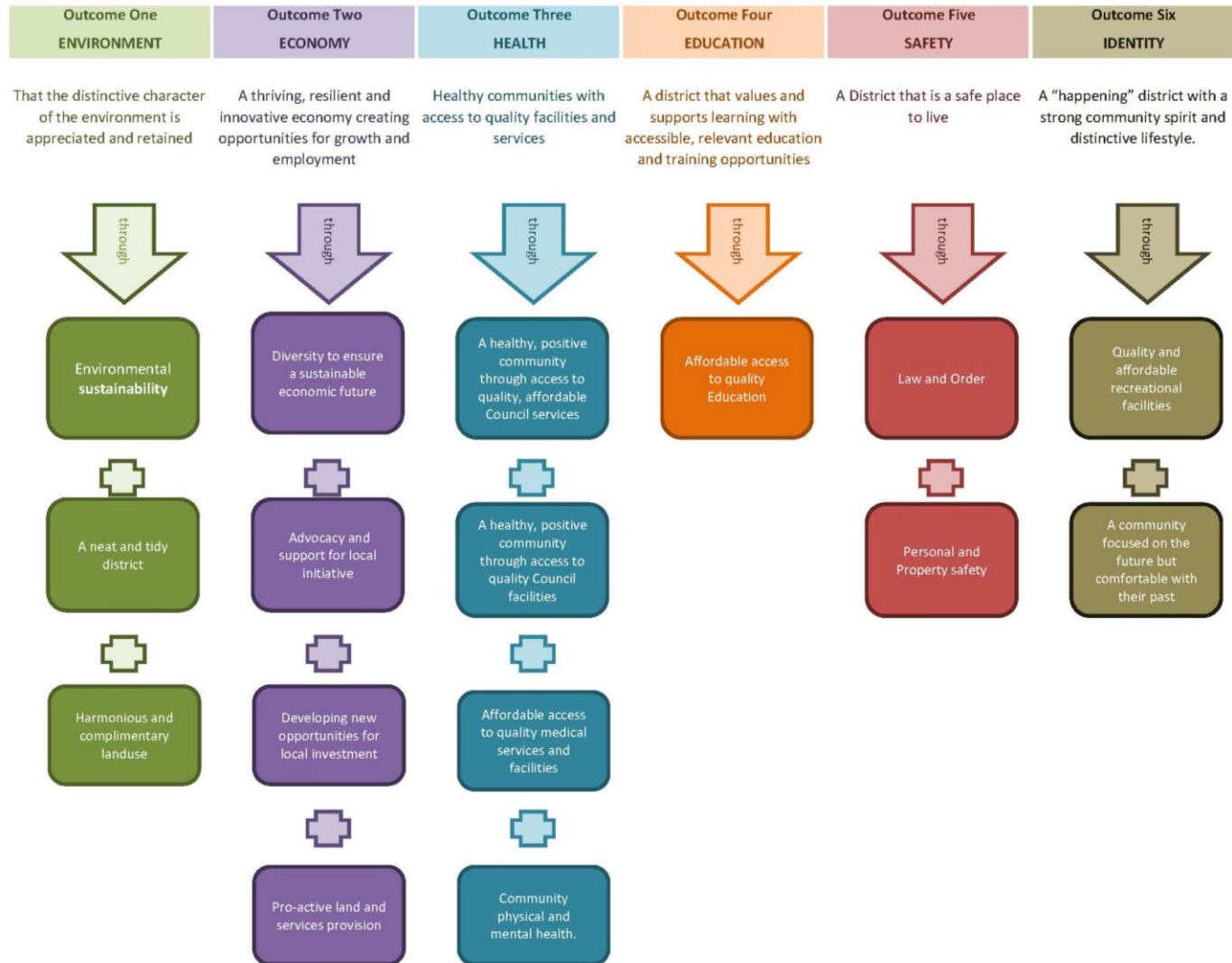
| <b>SIX</b>                                   |   |   |   |  |
|--|---|---|---|--|
| <b>Personal and property safety</b>          |   |   |   |  |
| FOCUS AREA                                   | ACTION  | OUR CONTRIBUTION  | PRIMARY COUNCIL ACTIVITY INVOLVED   | MEASURES USED TO ASSESS PERFORMANCE  |
| Emergency Services (Police /Fire /Ambulance) | Facilitate the availability of an all hour coverage of the District | Council has a facilitation and advocacy role  | <ul style="list-style-type: none"> <li>Democracy and Administration (leadership)</li> </ul> | <ul style="list-style-type: none"> <li>Quality of services.</li> <li>Response times.</li> <li>Crime statistics.</li> </ul>                                       |
| Civil Defence                                | Provide a competent Civil Defence service                           | Council provides a Civil Defence and Emergency Management service   | <ul style="list-style-type: none"> <li>Civil Defence</li> </ul>                             | <ul style="list-style-type: none"> <li>Mobilization times.</li> <li>Standards of readiness.</li> <li>Level of training.</li> <li>Incident management.</li> </ul> |
| Rural Fire                                   | Provide competent rural fire services in rural areas                | Council forms part of the WC Rural Fire Authority   | <ul style="list-style-type: none"> <li>Rural Fire Authority</li> </ul>                      | <ul style="list-style-type: none"> <li>Quality of services.</li> <li>Response times.</li> <li>Fire statistics.</li> </ul>  |
| Dog Control                                  | Provide a competent Dog Control service                             | Council provides an Animal Control service which incorporates measures aimed at preventing danger of dangerous dogs | <ul style="list-style-type: none"> <li>Animal Control</li> </ul>                            | <ul style="list-style-type: none"> <li>Number of dog attacks</li> <li>Preventative measures.</li> <li>Action taken to remove dangerous dogs.</li> </ul>          |

| <b>SEVEN</b>                                     |  |  |  |   |
|--|--|--|--|---|
| <b>Sustainable management of our environment</b> |  |  |  |   |
| FOCUS AREA                                       | ACTION   | OUR CONTRIBUTION   | PRIMARY COUNCIL ACTIVITY INVOLVED  | MEASURES USED TO ASSESS PERFORMANCE   |
| Resource Management Act                          | To apply the provisions of the RMA and Council's District Plan in a fair and objective manner thereby ensuring protection of the environment | Council is tasked with the application of the RMA and District Plan with the ultimate objective being sustainability and protection of the environment                             | <ul style="list-style-type: none"> <li>Planning</li> </ul>   | <ul style="list-style-type: none"> <li>Objectivity in applying the legislation.</li> <li>Fairness in applying the legislation.</li> <li>Successful achievement of sustainability.</li> </ul>  |
| Sustainable development                          | To focus on achieving sustainability through maintaining a healthy balance between development and protection of the environment.            | Council is tasked with the application of the RMA and District Plan with the ultimate objective being sustainability and protection of the environment                             | <ul style="list-style-type: none"> <li>Planning</li> </ul>   | <ul style="list-style-type: none"> <li>Levels of sustainability achieved.</li> <li>Impact on development.</li> </ul>  |
| Solid waste management (refuse and recycling)    | To manage all aspects of waste management in a way that minimizes the impact on the environment  | Council delivers a District wide waste collection, storage and disposal service  | <ul style="list-style-type: none"> <li>Waste Management</li> </ul>   | <ul style="list-style-type: none"> <li>Environmental impacts of Waste Management.</li> <li>Successful implementation of kerbside recycling and other waste minimization initiatives.</li> <li>Compliance with Resource Consent conditions.</li> </ul> |
| Wastewater (Sewerage)                            | To manage all aspects of sewer management in a way that minimizes the impact on the environment  | Council delivers a sewer collection, storage and disposal service in urban areas and takes an interest in disposal arrangements in non-reticulated areas from a Health perspective | <ul style="list-style-type: none"> <li>Wastewater (Sewerage)</li> <li>Health Regulation</li> </ul>                     | <ul style="list-style-type: none"> <li>Environmental impact of sewerage collection, treatment and disposal.</li> <li>Compliance with Resource Consents.</li> <li>Health impact of sewerage management in non-reticulated areas.</li> </ul>            |
| Other Council services                           | To manage all aspects of other services in a way that minimizes the impact on the environment  | Council delivers other services, i.e. stormwater, roading, Aquatic Centre heating etc.   | <ul style="list-style-type: none"> <li>Stormwater</li> <li>Land transport (Roading)</li> <li>Swimming Pools</li> </ul> | <ul style="list-style-type: none"> <li>Environmental impact of service delivery on the environmental.</li> <li>Compliance with Resource Consents.</li> </ul>  |



## [6] prior community outcomes

The community outcomes used in the 2009 Long Term Community Outcomes Plan were as shown in the below table. Whilst differing wording has been used, Council believes the outcomes described above largely represent the same intent for the wellbeing of the community.





# PART C: Council's financial strategy

# [1] Strategy focus

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. The 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.

- balancing the funding of assets across their useful lives, i.e. so that also future generations that 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

# [2] Summary

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). As referred to earlier in the plan Council is estimating that the population will grow slightly to approximately 14,500 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*
- *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:

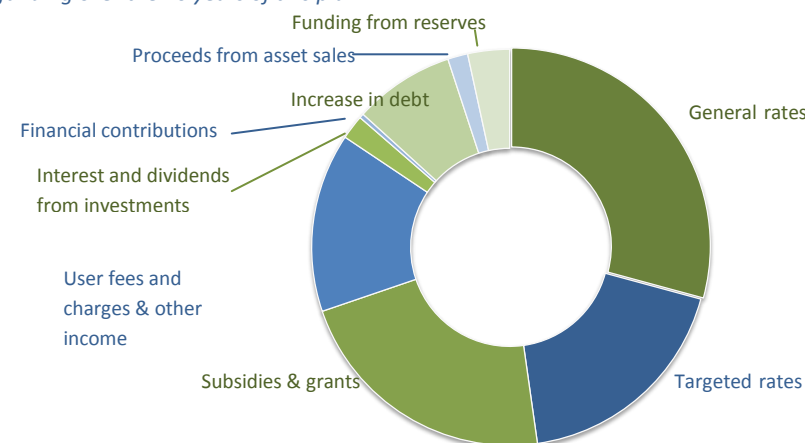
- delivering affordability for current generations;
- maintaining existing levels of service;

## [1] Council is signalling in this plan:

Sources of funding – how we pay for services:

| FUNDING BY SOURCE                       | budget        | budget        | total in 10    | total in 10   |
|---|---------------|---------------|----------------|---------------|
|   | 2012/2013     | 2012/2013     | year plan      | year plan     |
|   | \$000         | %             | \$000          | %             |
| General rates                           | 8,297         | 16.3%         | 97,873         | 28.1%         |
| Targeted rates                          | 5,180         | 10.2%         | 62,861         | 18.1%         |
| <b>TOTAL RATES</b>                      | <b>13,477</b> | <b>26.5%</b>  | <b>160,734</b> | <b>46.2%</b>  |
| Subsidies and grants                    | 9,158         | 18.0%         | 77,900         | 22.4%         |
| User fees and charges and other income  | 4,087         | 8.0%          | 51,221         | 14.7%         |
| Interest and dividends from investments | 695           | 1.4%          | 6,669          | 1.9%          |
| Development and financial contributions | 56            | 0.1%          | 1,167          | 0.3%          |
| Increase in debt                        | 17,665        | 34.8%         | 31,929         | 9.2%          |
| Gross proceeds from sale of assets      | 180           | 0.4%          | 5,487          | 1.6%          |
| Funding from reserves (special funds)   | 5,492         | 10.9%         | 13,050         | 3.7%          |
| <b>TOTAL FUNDING</b>                    | <b>50,810</b> | <b>100.1%</b> | <b>348,157</b> | <b>100.0%</b> |

Relative funding over the 10 years of this plan:



We are signalling in this plan:

- general rate increases in-line with expected annual inflation increases. The exceptions to this are:
  - An additional increase in year 4 to provide the required rate input into the operational costs of the Miners Recreation Centre

Therefore Council's overall goal is to keep general rate increases to within 1% of annual inflation.

- 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 increases in line with annual inflation
- Investment income is mostly related to returns on Council's special funds (i.e. money held aside for specific projects). The investment returns will match what level of special funds Council holds, and the investment returns are allocated to the funds.
- Subsidies
  - 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.
- 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.
- 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.

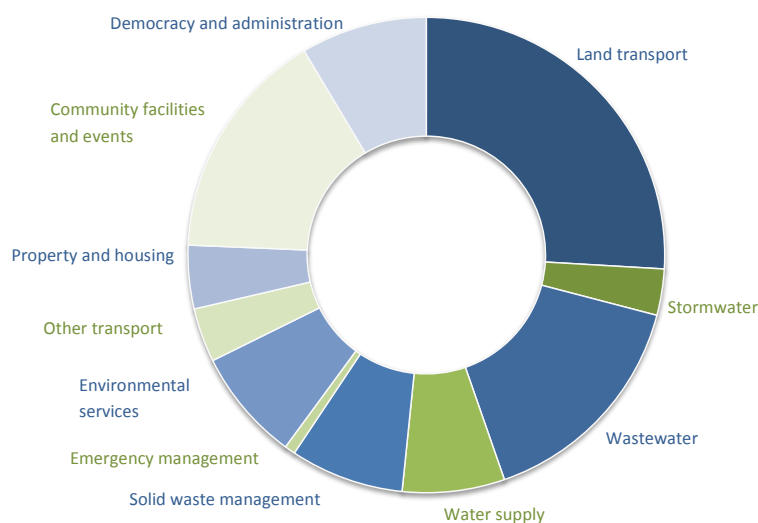
- Proceeds from sale of assets are generally transferred to special funds to be used for future expenditure needs. A large portion of the proceeds signalled in this plan will relate to Council's development of a commercial/industrial subdivision near the port. The proceeds will be used to meet the costs associated with the development and retire port debt.

Use of funds – where the expenditure goes

| TOTAL FUNDS SPENT PER ACTIVITY  | budget 2012/2013 \$000 | budget 2012/2013 % | total in 10 year plan \$000 | total in 10 year plan % |
|---------------------------------|------------------------|--------------------|-----------------------------|-------------------------|
| Land transport                  | 7,226                  | 14.2%              | 87,546                      | 25.1%                   |
| Stormwater                      | 1,054                  | 2.1%               | 10,546                      | 3.0%                    |
| Wastewater                      | 23,817                 | 46.9%              | 58,958                      | 17.0%                   |
| Water Supply                    | 3,176                  | 6.3%               | 26,789                      | 7.7%                    |
| Solid waste management          | 2,002                  | 3.9%               | 28,059                      | 8.1%                    |
| Emergency management            | 214                    | 0.4%               | 2,408                       | 0.7%                    |
| Environmental services          | 2,273                  | 4.5%               | 25,542                      | 7.3%                    |
| Other transport                 | 1,281                  | 2.5%               | 12,309                      | 3.5%                    |
| Property and housing*           | 1,946                  | 3.8%               | 14,461                      | 4.2%                    |
| Community facilities and events | 4,887                  | 9.6%               | 52,823                      | 15.2%                   |
| Democracy and administration*   | 2,933                  | 5.8%               | 28,709                      | 8.2%                    |
| <b>Total funds spent</b>        | <b>50,809</b>          | <b>100.0%</b>      | <b>348,150</b>              | <b>100.0%</b>           |

\* activity expenditure net of overheads recovered from other activities

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



| TOTAL FUNDS APPLIED BY CATEGORY      | budget 2012/2013 \$000 | budget 2012/2013 % | total in 10 year plan \$000 | total in 10 year plan % |
|--------------------------------------|------------------------|--------------------|-----------------------------|-------------------------|
| Payments to staff and suppliers      | 14,946                 | 29.4%              | 177,089                     | 51.0%                   |
| Finance costs                        | 1,251                  | 2.5%               | 21,891                      | 6.3%                    |
| Capital expenditure                  |                        |                    |                             |                         |
| —to meet additional demand           | 1,000                  | 2.0%               | 1,000                       | 0.3%                    |
| —to improve the level of service     | 26,787                 | 52.7%              | 57,567                      | 16.5%                   |
| —to replace existing assets          | 5,359                  | 10.5%              | 63,877                      | 18.3%                   |
| Repayment of debt                    | 355                    | 0.7%               | 11,828                      | 3.4%                    |
| Transfer to reserves (special funds) | 1,118                  | 2.2%               | 14,451                      | 4.2%                    |
| Net movement in investments          | ( 7)                   | 0.0%               | 454                         | 0.1%                    |
| <b>Total funds spent</b>             | <b>50,809</b>          | <b>100.0%</b>      | <b>348,157</b>              | <b>100.1%</b>           |

We are signalling in this plan:

- 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 below; [3] Key financial questions.
- 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:

| 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            | 4,189                           | 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                 | 21,350                          | 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 | 7,235                           | 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)   |

| project  | expenditure in the plan (\$000) | description   |
|--|---------------------------------|---|
| 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).   |
| Runanga Water Supply - Filtration upgrade                        | 699                             | 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).   |
| Taylorville/Dobson Water Supply - upgrade (connect to Greymouth) | 693                             | 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).   |
| Stillwater Water Supply - upgrade (connect to Greymouth)         | 605                             | 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.  |

# [3] Key financial questions

## [1] 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.

Assets are created from expenditure where the benefit extends beyond the funding 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 an original life of 100 years it will 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 the community receives \$10,000 of benefit from having the bridge available for use **in that year**. Council revalues its major assets regularly to ensure that their value is relevant to current replacement costs, and therefore the annual depreciation expense is provided for prudently.

As depreciation reflects the annual 'consumption value' of the asset over its useful life, there are two critical factors in determining this expense. The first is the asset cost or revalued amount, (i.e. cost to replace the asset) and the second is the asset's useful life. It is therefore not related to the physical wearing out of the asset. The purpose of depreciation is not to provide for the replacement of the asset(s), however this may be an intended or unintended consequence.

For a Council, depreciation is especially important as it ensures that today's ratepayers pay their fair share (and only their fair share) of consumption of the assets. Depreciation is therefore a vital component in the process of setting rates and charges.

As depreciation is a non-cash item of expenditure, the funding of the depreciation expense within total operational expenditure will result in a funding surplus from operations. It is then a council's decision as to how that surplus funding should be allocated.

Broadly Council will consider four options:

- repay debt (if the creation/replacement of an asset was funded from a loan)
- pay for renewal expenditure
- acquire new assets
- transfer to a reserve for the replacement or future renewal of an asset.

**Therefore** a key indicator for each activity is whether it is generating a surplus or a deficit. If a local authority sets its revenue to fund all our operating expenditure (including depreciation) it is referred to as a **balanced budget**.

A deficit may indicate that a local authority is not requiring the community to pay its fair share for that year. A surplus on the other hand may signal either that funding is at higher levels than are required for future replacement, or that 'catch up' renewals are provided for because not enough had been funded in the past. Overall Council is signalling in this plan a budget that is **balanced**. There is an accumulated surplus over the 10 years of this plan of \$ 3,516,000 .

Given the number of different activities Council is involved in, it is difficult to provide one overall meaningful assessment and, therefore a summary of the key issues is presented below. Note, although there are deficits referred to below Council is signalling a surplus overall. This is because the deficits are offset by some activities generating a surplus.

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.

### Land transport (roading)

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.

## 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.

## 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 the worst affected areas of the network comprise approximately 25% - 35% of the overall network length. This plan signals that these renewals will be undertaken between years 2 and 10. 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 from the remaining network area. 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. It is expected that a further 25% - 30% of the network will require replacing in the 10 years subsequent to this plan, i.e. between years 2022 and 2032.

## 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:

- Stillwater – 1st July 2015
- Dobson-Taylorville – 1st July 2014
- Runanga-Rapahoe: 1st July 2014
- Greymouth: 1st July 2013  
(note Blackball supply is already compliant)

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 also 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 scheme:

|                               | YEAR 1 | YEAR 2 | YEAR 3 |
|-------------------------------|--------|--------|--------|
|                               | \$000  | \$000  | \$000  |
| Runanga WS upgrade            |        | 699    |        |
| Dobson Taylorville WS upgrade |        | 693    |        |
| Stillwater WS upgrade         |        |        | 605    |

Note for Runanga supply, we will be carrying out further consultation with the community on their preferred option of either connecting to the Greymouth supply or upgrading their standalone scheme to comply. The costs indicated above for Runanga supply assume the standalone scheme will be upgraded.

The Dobson/Taylorville and Stillwater supplies will be connected through to the Greymouth supply.

Council will 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 is indicated in our schedule of rates, refer PART E:[10][7] Targeted rates.

Council will be lobbying central government to either:

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

## Port of Greymouth (part of 'Other Transport' in this plan)

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.

## Aquatic Centre/Miners' Recreation Centre (part of 'Community facilities and events' in this plan)

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:

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.

## [2] 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 (refer to table below). 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.

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. Specifically refer to the tables on debt below covered under financial trends.

## [3] Is the projected growth reasonable? What if it is different than projected?

Council is forecasting very modest growth for the period of this plan (approximately 0.5% per annum). Such growth does not require Council to add capacity to any existing assets to cater for the growth.

With the growth provided being conservative the impact of lesser growth is not regarded as being relevant and something that will impact on the Plan.

## [4] 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 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.

## [5] What capital expenditure is required to maintain levels of service?

As stated, Council has an extensive level of information about its significant assets in Activity Management Plans (AMPs). Council uses this information to plan the required level of renewals required to maintain the current level of service.

Council is signalling in this plan to spend \$ 63,877,000 replacing and renewing assets to maintain the existing levels of service. The detail of this is contained within each Group of Activity statement further in this plan.

## [6] Council's insurance cover

Just as many individuals and business owners have experienced recently, Council has had a challenges to face to:

- place insurance cover on our assets
- 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 part 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 (refer revenue and financing policy)

# [4] Financial trends

## [1] Rating income

|   | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>GENERAL RATES</b>  |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge   | 2,458                                | 2,616                        | 2,738                           | 2,858                           | 3,082                          | 3,160                          | 3,246                          | 3,340                          | 3,426                          | 3,535                          | 3,628                          |
| General Rates - set on land value   | 5,511                                | 5,543                        | 5,761                           | 5,945                           | 6,039                          | 6,278                          | 6,527                          | 6,772                          | 7,024                          | 7,267                          | 7,502                          |
| <b>TARGETED RATES</b>   |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| District Promotion  | 209                                  | 224                          | 229                             | 233                             | 238                            | 242                            | 247                            | 252                            | 257                            | 262                            | 267                            |
| 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                                | 1,506                        | 1,658                           | 1,718                           | 1,844                          | 1,879                          | 1,936                          | 1,996                          | 2,078                          | 2,097                          | 2,180                          |
| Water Meter Rates   | 328                                  | 338                          | 350                             | 362                             | 375                            | 388                            | 401                            | 416                            | 430                            | 445                            | 461                            |
| Sewerage Collection   | 1,749                                | 2,012                        | 2,182                           | 2,251                           | 2,354                          | 2,452                          | 2,520                          | 2,596                          | 2,677                          | 2,765                          | 2,825                          |
| <b>PENALTIES</b>  |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Rate Penalties  | 130                                  | 138                          | 143                             | 147                             | 151                            | 156                            | 160                            | 165                            | 170                            | 175                            | 181                            |
| <b>Total rates revenue</b>  | <b>12,752</b>                        | <b>13,477</b>                | <b>14,200</b>                   | <b>14,693</b>                   | <b>15,303</b>                  | <b>15,818</b>                  | <b>16,345</b>                  | <b>16,891</b>                  | <b>17,464</b>                  | <b>17,997</b>                  | <b>18,546</b>                  |
| <b>General rate increase</b>  |                                      | <b>2.38%</b>                 | <b>4.17%</b>                    | <b>3.58%</b>                    | <b>3.61%</b>                   | <b>3.48%</b>                   | <b>3.55%</b>                   | <b>3.47%</b>                   | <b>3.34%</b>                   | <b>3.37%</b>                   | <b>3.04%</b>                   |
| <b>Overall TOTAL rate increase</b>  |                                      | <b>5.69%</b>                 | <b>5.36%</b>                    | <b>3.47%</b>                    | <b>4.15%</b>                   | <b>3.37%</b>                   | <b>3.33%</b>                   | <b>3.34%</b>                   | <b>3.39%</b>                   | <b>3.05%</b>                   | <b>3.05%</b>                   |
| <b>PORTION OF RATE INCREASE RELATED TO SIGNIFICANT INCREASES IN LEVELS OF SERVICE</b> |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| <b>WATER SUPPLY</b>   |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Kaita Water Scheme  |                                      |                              | 0.33%                           |                                 |                                |                                |                                |                                |                                |                                |                                |
| Greymouth Filtration  |                                      | 0.65%                        | 0.18%                           |                                 |                                |                                |                                |                                |                                |                                |                                |
| Runanga Filtration  |                                      |                              | 0.21%                           | 0.41%                           |                                |                                |                                |                                |                                |                                |                                |
| Dobson/Taylorville Filtration   |                                      |                              | 0.21%                           |                                 |                                |                                |                                |                                |                                |                                |                                |
| Stillwater Filtration   |                                      |                              |                                 | 0.07%                           |                                |                                |                                |                                |                                |                                |                                |
| <b>WASTEWATER (SEWERAGE)</b>  |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Dobson/Taylorville/Kaiata Sewerage  |                                      | 0.99%                        | 0.82%                           |                                 |                                |                                |                                |                                |                                |                                |                                |
| <b>SOLID WASTE MANAGEMENT (REFUSE &amp; RECYCLNG)</b>                                 |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Refuse Collection/Recycling   |                                      | 1.45%                        |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| <b>rate increase without additional items</b>   |                                      | <b>2.59%</b>                 | <b>3.62%</b>                    | <b>3.00%</b>                    | <b>4.15%</b>                   | <b>3.37%</b>                   | <b>3.33%</b>                   | <b>3.34%</b>                   | <b>3.39%</b>                   | <b>3.05%</b>                   | <b>3.05%</b>                   |

The overall rate increases proposed for the first three years of the plan, per the above table are:

- Year One: 5.69%
- Year Two: 5.36%
- Year Three: 3.47%

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 bottom half of the above table 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.

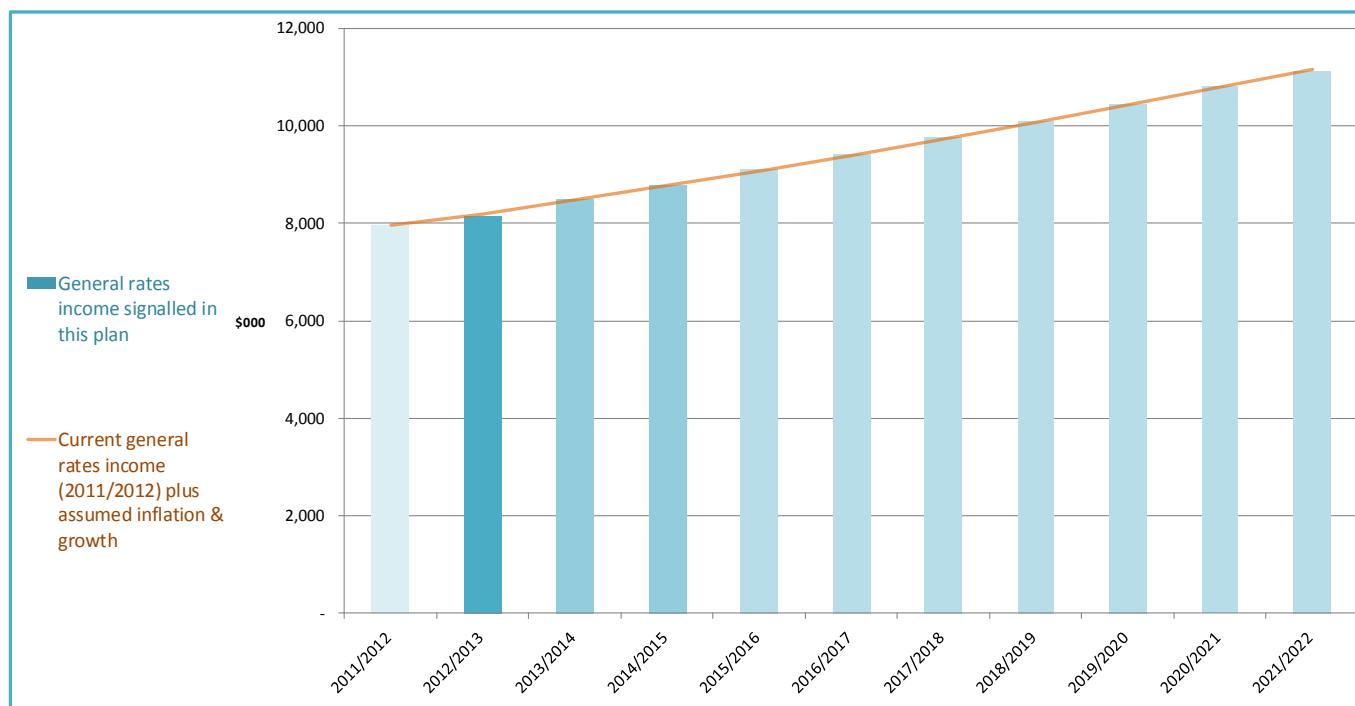
|   |  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| rate increase without new items (refer above table)                     |  | 2.59%                        | 3.62%                           | 3.00%                           | 4.15%                          | 3.37%                          | 3.33%                          | 3.34%                          | 3.39%                          | 3.05%                          | 3.05%                          |
| Assumed inflation PLUS growth   |  | 2.83%                        | 3.50%                           | 3.50%                           | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          |
| difference between proposed increase & the assumed inflation and growth |  | -0.24%                       | 0.12%                           | -0.50%                          | 0.65%                          | -0.13%                         | -0.17%                         | -0.16%                         | -0.11%                         | -0.45%                         | -0.45%                         |

Total rates income is proposed to be limited to the amounts outlined in the below table. Council recognises rates form a significant portion of our revenue sources. In years one to three subsidies and grants received for capital projects (e.g. Greymouth Sewerage scheme) also make up a significant portion of income.

|                                     | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|-------------------------------------|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total rates income                  | 12,752                               | 13,477                       | 14,200                          | 14,693                          | 15,303                         | 15,818                         | 16,345                         | 16,891                         | 17,464                         | 17,997                         | 18,546                         |
| Total income                        | 27,663                               | 27,625                       | 36,768                          | 28,209                          | 30,542                         | 27,354                         | 27,922                         | 29,304                         | 30,614                         | 31,074                         | 31,692                         |
| Rates income as a % of total income | 46.1%                                | 48.8%                        | 38.6%                           | 52.1%                           | 50.1%                          | 57.8%                          | 58.5%                          | 57.6%                          | 57.0%                          | 57.9%                          | 58.5%                          |

## General rates

Council is proposing that general rate increases will be limited to within 1% of inflation<sup>2</sup>. The orange line represents the assumed inflation, whilst the blue bars represent the general rate revenue for each year. The actual detail of the level of inflation and associated rate increase will come under closer scrutiny at the time each annual budget is adopted.



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.

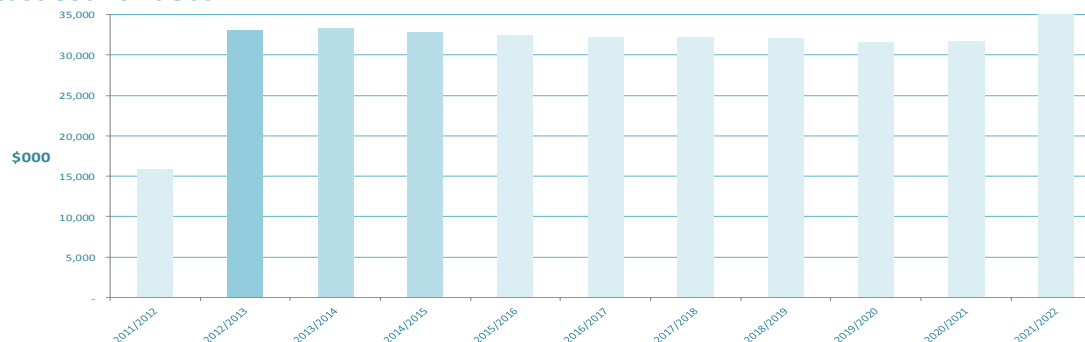
|   | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| General rates income signalled in this plan                               | 7,969                                | 8,159                        | 8,499                           | 8,803                           | 9,121                          | 9,438                          | 9,773                          | 10,112                         | 10,450                         | 10,802                         | 11,130                         |
| increase per year   |                                      | 2.40%                        | 4.20%                           | 3.60%                           | 3.60%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.30%                          | 3.40%                          | 3.00%                          |
| Assumed inflation PLUS growth   |                                      | 2.83%                        | 3.50%                           | 3.50%                           | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          | 3.50%                          |
| difference between proposed increase and the assumed inflation and growth |                                      | -0.43%                       | 0.70%                           | 0.10%                           | 0.10%                          | 0.00%                          | 0.00%                          | 0.00%                          | -0.20%                         | -0.10%                         | -0.50%                         |

<sup>2</sup> whilst Council’s costs are influenced by many different factors, when we refer to inflation we are referring to the Consumer Price Index (CPI)

## [2] Council debt

Council's forecast movement in debt levels as compared against its policy limits is as follows:

**total forecast Council debt**



|  | budget<br>2012/2013 | estimated<br>2013/2014 | estimated<br>2014/2015 | forecast<br>2015/2016 | forecast<br>2016/2017 | forecast<br>2017/2018 | forecast<br>2018/2019 | forecast<br>2019/2020 | forecast<br>2020/2021 | forecast<br>2021/2022 |
|--|---------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | \$000               | \$000                  | \$000                  | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 |
| Opening debt   | 15,792              | 33,102                 | 33,242                 | 32,728                | 32,367                | 32,167                | 32,234                | 32,134                | 31,615                | 31,753                |
| Increase (decrease) in debt                                      | 17,310              | 140                    | (514)                  | (361)                 | (200)                 | 67                    | (100)                 | (519)                 | 138                   | 4,140                 |
| <b>Closing debt</b>  | <b>33,102</b>       | <b>33,242</b>          | <b>32,728</b>          | <b>32,367</b>         | <b>32,167</b>         | <b>32,234</b>         | <b>32,134</b>         | <b>31,615</b>         | <b>31,753</b>         | <b>35,893</b>         |
| <i>Total debt as a % of total assets (policy limit 20%)</i>      | 9.4%                | 8.6%                   | 8.5%                   | 8.4%                  | 7.9%                  | 7.9%                  | 7.9%                  | 7.4%                  | 7.4%                  | 8.4%                  |
| <i>Total debt per rateable property (policy limit \$4,500)</i>   | 3,897               | 3,894                  | 3,815                  | 3,754                 | 3,713                 | 3,702                 | 3,672                 | 3,595                 | 3,594                 | 4,042                 |
| <i>Total debt as % of total revenue (policy limit 135%)</i>      | 119.8%              | 90.4%                  | 116.0%                 | 106.0%                | 117.6%                | 115.4%                | 109.7%                | 103.3%                | 102.2%                | 113.3%                |
| <i>interest expense as % of total revenue (policy limit 15%)</i> | 4.5%                | 6.3%                   | 8.2%                   | 7.5%                  | 8.3%                  | 8.1%                  | 7.7%                  | 7.3%                  | 7.1%                  | 7.9%                  |



The following table summarises what additional debt capacity Council has to stay within policy limits (the highlighted figure is the lowest, and therefore the policy limit)

| additional debt that can be raised within policy limits   |         | budget<br>2012/2013 | estimated<br>2013/2014 | estimated<br>2014/2015 | forecast<br>2015/2016 | forecast<br>2016/2017 | forecast<br>2017/2018 | forecast<br>2018/2019 | forecast<br>2019/2020 | forecast<br>2020/2021 | forecast<br>2021/2022 |
|---|---------|---------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |         | \$000               | \$000                  | \$000                  | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 | \$000                 |
| Total debt as a % of total assets (policy limit 20%)      | 20.00%  | 37,176              | 44,265                 | 44,470                 | 44,852                | 49,682                | 49,024                | 48,749                | 54,304                | 53,820                | 50,030                |
| Total debt per rateable property (policy limit \$4,500)   | \$4,500 | 5,126               | 5,175                  | 5,878                  | 6,428                 | 6,821                 | 6,948                 | 7,241                 | 7,954                 | 8,009                 | 4,067                 |
| Total debt as % of total revenue (policy limit 135%)      | 135.00% | 4,192               | 16,395                 | 5,354                  | 8,865                 | 4,761                 | 5,461                 | 7,426                 | 9,714                 | 10,197                | 6,891                 |
| interest expense as % of total revenue (policy limit 15%) | 15.00%  | 26,094              | 45,547                 | 27,720                 | 33,080                | 26,449                | 27,599                | 30,660                | 33,986                | 34,834                | 32,018                |

Council will use a charge over rates as security for the debt it enters into.

### [3] Council investments

Council holds a number of investments, the majority of which are associated with Special Funds that are held for specific purposes. Council takes a conservative/low risk approach in investing these funds. Council’s principles determining how we invest funds are:

- Optimise investment returns while balancing risk and return considerations.
- Ensure that investments are liquid and sufficiently flexible.
- Diversify the mix of financial investments.
- Managing potential capital losses as a result of interest rate movements.
- Providing for termination of investments before maturity if deemed necessary.

Council will limit its individual investments as follows:

| Authorised Asset Classes                           | Overall Portfolio Limit as a Percentage of the Total Portfolio | Approved Financial Market Investment Instruments (must be denominated in NZ dollars) | Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)                                       | Limit for each issuer subject to overall portfolio limit for issuer class |
|--|--|--|--|---|
| New Zealand Government                             | 100%   | Government Stock Treasury Bills  | Not Applicable   | Unlimited   |
| Rated Local Authorities                            | 70%  | Commercial Paper   | Short term S&P rating of A1 or better  | \$3.0 million   |
|  |  | Bonds/MTNs/FRNs  | Long term S&P rating of A- or better<br>Long term S&P rating of A+ or better<br>Long term S&P rating of AA or better | \$2.0 million<br>\$3.0 million<br>\$5.0 million                           |
| Local Authorities where rates are used as security | 60%  | Commercial Paper   | Not Applicable   | \$2.0 million   |
|  |  | Bonds/MTNs/FRNs  |  | \$2.0 million   |

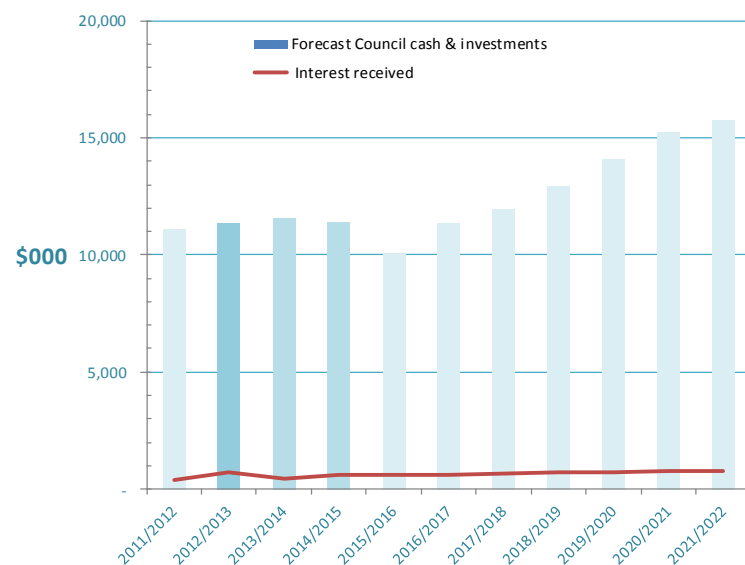
| Authorised Asset Classes     | Overall Portfolio Limit as a Percentage of the Total Portfolio | Approved Financial Market Investment Instruments (must be denominated in NZ dollars) | Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)                                       | Limit for each issuer subject to overall portfolio limit for issuer class |
|------------------------------|--|--|--|---|
| New Zealand Registered Banks | 100%   | Call/Term Deposits/Bank Bills/Commercial Paper                                       | Short term S&P rating of A1 or better  | \$10.0 million  |
|                              |  | Bonds/MTNs/FRNs  | Long term S&P rating of A- or better<br>Long term S&P rating of A+ or better   | \$3.0 million<br>\$5.0 million  |
| State Owned Enterprises      | 70%  | Commercial Paper   | Short term S&P rating of A1 or better  | \$3.0 million   |
|                              |  | Bonds/MTNs/FRNs  | Long term S&P rating of BBB+ or better<br>Long term S&P rating of A+ or better                                       | \$1.0 million<br>\$3.0 million  |
| Corporates *                 | 60%  | Commercial Paper   | Short term S&P rating of A1 or better  | \$2.0 million   |
|                              |  | Bonds/MTNs/FRNs  | Long term S&P rating of A- or better<br>Long term S&P rating of A+ or better<br>Long term S&P rating of AA or better | \$1.0 million<br>\$2.0 million<br>\$3.0 million                           |
| Financials*                  | 30%  | Commercial Paper   | Short term S&P rating of A1 or better  | \$2.0 million   |
|                              |  | Bonds/MTNs/FRNs  | Long term S&P rating of A- or better<br>Long term S&P rating of A+ or better<br>Long term S&P rating of AA or better | \$1.0 million<br>\$2.0 million<br>\$3.0 million                           |
| Building Societies           | 20%  | Call and Term Deposits   | To be individually approved by Council   | \$3.0 million   |

\* The combined holding of Corporates and Financials shall not exceed 70% of the portfolio.

Council’s estimated return on investments signalled in this plan are as follows, based on an assumed average return of 5% per annum.

Council will retain a minimum level of investments at any one time that we believe would be required in a medium – large scale emergency event to meet any immediate cash flows required to supply resources.

### Total Council investments



As referred to above the majority of Council’s investments are related to specific Special Funds (Reserve Funds). We disclose detail on these funds further on in this document (refer [1][appendix A] Council special funds (reserve funds) ). These funds are held to be spent on a specific purpose, and a relative share of any interest earned on Council investments is returned to each special fund.

Council is also signalling to increase its total external debt (refer above). This plan assumes that all new debt required will be raised from external sources. From time to time Council may decide to internally borrow a portion of its required debt. This would reduce the external debt and total investments by equivalent amounts. In these instances Council would pay itself the equivalent interest on the internal debt, with the relative amount being transferred to special funds.

## [5] Statement concerning balancing the budget

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<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--------------------------|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total operating revenues | 27,663                               | 27,625                       | 36,768                          | 28,209                          | 30,542                         | 27,354                         | 27,922                         | 29,304                         | 30,614                         | 31,074                         | 31,692                         |
| Total operating expenses | 23,148                               | 24,233                       | 26,781                          | 27,953                          | 28,715                         | 29,231                         | 30,525                         | 31,103                         | 31,713                         | 33,091                         | 34,243                         |
| Net surplus/(deficit)    | 4,515                                | 3,392                        | 9,987                           | 256                             | 1,827                          | (1,877)                        | (2,603)                        | (1,799)                        | (1,099)                        | (2,017)                        | (2,551)                        |

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)

As outlined throughout this financial strategy the activities that are the main contributor to the annual deficits (un-balanced budget) are:

|  | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land transport   | ( 403)                               | ( 47)                        | ( 189)                          | ( 220)                          | 3,909                          | ( 63)                          | ( 398)                         | 287                            | 309                            | 192                            | ( 186)                         |
| Stormwater   | ( 359)                               | ( 369)                       | ( 365)                          | ( 408)                          | ( 386)                         | ( 368)                         | ( 419)                         | ( 403)                         | ( 377)                         | ( 444)                         | ( 420)                         |
| Wastewater   | 2,849                                | 3,156                        | 5,184                           | ( 874)                          | ( 810)                         | ( 773)                         | ( 768)                         | ( 723)                         | ( 672)                         | ( 723)                         | ( 681)                         |
| 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.

# PART D: What Council does: groups of activities

## Resident satisfaction survey

Part of the information provided under each group of activity includes the performance measures that we propose to use to measure if we are providing the service the community expects. Many of these performance measures include minimum targets from a public satisfaction survey. Council intends to carry out the survey at least 2 yearly and use an independent research company to undertake the work on Council's behalf. The survey will ensure there is a representative sample achieved, and the total sample will deliver at least a 95% confidence level (i.e. +/- 5%). If for any reason Council believes there may have been cause to create significant movement in results between surveys Council will consider conducting the surveys more frequently.

The last survey was carried out in 2011

# [1] Land transport

## [1] Activities included in this group

Land Transport includes the following key functions:

- Council roads ( State Highways excluded as NZTA responsibility)
- Footpaths
- Bridges and large culverts
- Bus Shelters
- Promotion of road safety

The Car parking function is dealt with under the 'Other Transport' section.

The Coastal Pathway is included in this activity but is likely to be taken over by the Westland Wilderness Trust during the next few years.

## [2] Why we are involved in this activity

Council provides sealed roads (including bridges where necessary), footpaths, bus shelters and street lights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

Modern society cannot function without access. Access is important as it enables the convenient movement of people and goods to places of work, trade, health services, education and recreation. Promotion of road safety is also important to avoid damage to property, injury and deaths while people are using land transport infrastructure.

## [3] Contribution to Council's Vision

| OUTCOME  | CONTRIBUTION  |
|--|---|
| Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient | <ul style="list-style-type: none"> <li>• by providing quality access:</li> <li>• Quality and ease of road access to commercial area(s).</li> <li>• Convenience and quality of footpaths.</li> <li>• Information value of road signage.</li> </ul> |
| Providing affordable, quality essential services   | Roading as an essential service has an important service delivery function.   |

## [4] What we'll provide

A summary of Council's roading infrastructure is as follows:

| Land Transport Component                            |        | Quantity |
|---|--------|----------|
| Roads (Council roads do not include State Highways) |        |          |
| Urban   | km     | 130      |
| Rural   | km     | 480      |
| Total   | km     | 610      |
| Footpaths   | km     | 99       |
| Bridges and Large Culverts                          | number | 218      |
| Street Lights                                       | number | 1599     |
| Bus Shelters  | number | 43       |
| Separated Walking and Cycling Pathways              | km     | 9        |

Council will undertake the following:

- on-going maintenance of land transport assets (i.e. roads, footpaths etc...)
- annual road and footpath resurfacing
- annual road and footpath construction and pavement surfacing
- annual safety works
- provision and maintenance of pedestrian crossings, street name signs,
- street lighting and traffic sign maintenance

## [5] Key issues facing the activity

Key issues over the next 10 years are:

- Financial assistance rates from NZTA reducing from the current rate of 62% for maintenance and renewals to 60% in 2013/14 (year 2). These reductions have been incorporated into the budget. Further reductions are not signalled in the plan, however may eventuate as NZTA review their rates 5 yearly.
- Impact on the land transport infrastructure as a result of the possible introduction of increased mass and dimension heavy commercial vehicles. No provision has been made for this in this plan
- Changes in the size and types of vehicle used including active transport and public transport.
- Availability of contracting resources as a result of the Christchurch rebuild and/or the impact on pricing.

- The need for more detailed assessment of the condition and performance of key parts of land transport infrastructure to further optimize the need for replacement and renewal.
- Improving the earthquake resilience of key parts, in particular bridges.
- Lifelines functions
- Road safety – ensuring that road factors aren't a significant contributor to crashes



## [6] Performance measures

| Activity Goal            | How the goal is to be achieved  | Measurement of achievement   | Target  |               |                           |                            |    |
|--------------------------|---|--|---|---------------|---------------------------|----------------------------|----|
|                          |   |  | Current Performance (2012)  | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |    |
| Quality of service       | By providing a safe-roading network                                     | Minimum % of residents who agree that local roads are safe when using them.  | New measure   | 75            | 75                        | 75                         |    |
|                          |   | Maximum percentage road crashes on local roads caused by road factors  | 30%   | 35%           | 30%                       | 28%                        |    |
|                          | Residents are provided with a reliable roading network                  | Council will provide a local roading network that is 'fit for purpose'   | Minimum % satisfied per survey with Council's roading network                           | 81            | 80                        | 80                         | 80 |
|                          |   | Residents are provided with a reliable roading network   | Minimum % satisfied with the way local roads are maintained.                            | 76            | 75                        | 75                         | 75 |
|                          |   |  | Minimum % satisfied with the way footpaths are maintained.                              | new measure   | 60                        | 60                         | 60 |
|                          |   |  | Number of reported local road closures due to surface flooding is less than X per year. | new measure   | 30                        | 30                         | 30 |
| Financial sustainability | Services are maintained with respect for current and future generations | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded). <sup>3</sup> | 90%   | 90%           | 92%                       | 95%                        |    |

<sup>3</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [7] Financial information

### Activity funding

These activities are mainly funded by:

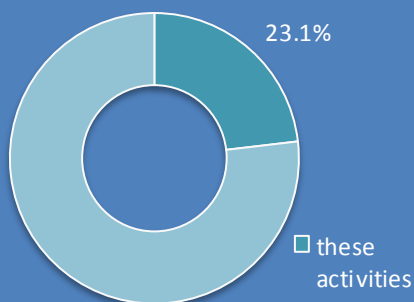
#### Rates

- The district requires an efficient transport network for economic viability, so there is a mix of direct benefit to the users of the network and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district

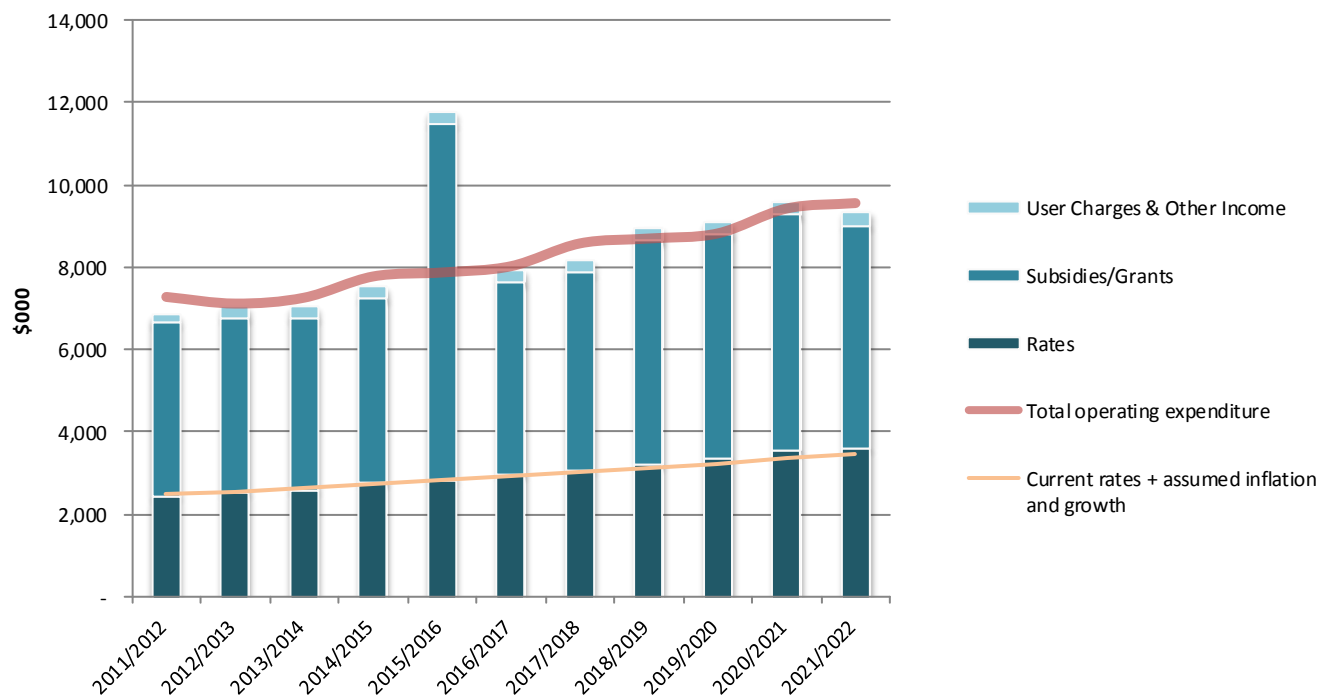
#### Subsidies and grants

- Council receives financial assistance from New Zealand Transport Agency (NZTA) towards the maintenance, renewal, and additions to the roading network.

Percentage of total Council operating expenditure for 10 year plan



### Land transport: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 2,477                         | 2,574                        | 2,627                           | 2,818                           | 2,852                          | 3,022                          | 3,112                          | 3,245                          | 3,417                          | 3,591                          | 3,639                          |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | 1,692                         | 1,581                        | 1,612                           | 1,671                           | 1,798                          | 1,788                          | 1,850                          | 1,926                          | 1,989                          | 2,061                          | 2,123                          |
| Fees, charges, and metered rates for water supply                      | 7                             | 14                           | 14                              | 14                              | 14                             | 14                             | 14                             | 15                             | 16                             | 15                             | 16                             |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 191                           | 195                          | 201                             | 207                             | 214                            | 220                            | 227                            | 233                            | 240                            | 248                            | 255                            |
| <b>Total operating funding [A]</b>                                     | <b>4,367</b>                  | <b>4,364</b>                 | <b>4,454</b>                    | <b>4,710</b>                    | <b>4,878</b>                   | <b>5,044</b>                   | <b>5,203</b>                   | <b>5,419</b>                   | <b>5,662</b>                   | <b>5,915</b>                   | <b>6,033</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 2,735                         | 2,661                        | 2,787                           | 2,883                           | 2,912                          | 3,012                          | 3,119                          | 3,228                          | 3,342                          | 3,458                          | 3,581                          |
| Finance costs  | 13                            | 31                           | 30                              | 30                              | 48                             | 47                             | 45                             | 42                             | 40                             | 37                             | 34                             |
| Internal charges and overheads applied                                 | 63                            | 72                           | 75                              | 78                              | 73                             | 76                             | 78                             | 81                             | 83                             | 86                             | 88                             |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>2,811</b>                  | <b>2,764</b>                 | <b>2,892</b>                    | <b>2,991</b>                    | <b>3,033</b>                   | <b>3,135</b>                   | <b>3,242</b>                   | <b>3,351</b>                   | <b>3,465</b>                   | <b>3,581</b>                   | <b>3,703</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>1,556</b>                  | <b>1,600</b>                 | <b>1,562</b>                    | <b>1,719</b>                    | <b>1,845</b>                   | <b>1,909</b>                   | <b>1,961</b>                   | <b>2,068</b>                   | <b>2,197</b>                   | <b>2,334</b>                   | <b>2,330</b>                   |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | 2,508                         | 2,663                        | 2,573                           | 2,800                           | 6,857                          | 2,870                          | 2,928                          | 3,515                          | 3,416                          | 3,649                          | 3,285                          |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 91                            | (4)                          | (5)                             | (5)                             | 267                            | (19)                           | (21)                           | (24)                           | (26)                           | (29)                           | (21)                           |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>2,599</b>                  | <b>2,659</b>                 | <b>2,568</b>                    | <b>2,795</b>                    | <b>7,124</b>                   | <b>2,851</b>                   | <b>2,907</b>                   | <b>3,491</b>                   | <b>3,390</b>                   | <b>3,620</b>                   | <b>3,264</b>                   |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 914                           | 900                          | 548                             | 873                             | 4,806                          | 312                            | 323                            | 643                            | 346                            | 358                            | 708                            |
| —to replace existing assets  | 3,319                         | 3,498                        | 3,724                           | 3,744                           | 4,300                          | 4,449                          | 4,544                          | 5,086                          | 5,267                          | 5,613                          | 4,781                          |
| Increase (decrease) in reserves  | (78)                          | (139)                        | (142)                           | (103)                           | (137)                          | (1)                            | 1                              | (170)                          | (26)                           | (17)                           | 105                            |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>4,155</b>                  | <b>4,259</b>                 | <b>4,130</b>                    | <b>4,514</b>                    | <b>8,969</b>                   | <b>4,760</b>                   | <b>4,868</b>                   | <b>5,559</b>                   | <b>5,587</b>                   | <b>5,954</b>                   | <b>5,594</b>                   |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>(1,556)</b>                | <b>(1,600)</b>               | <b>(1,562)</b>                  | <b>(1,719)</b>                  | <b>(1,845)</b>                 | <b>(1,909)</b>                 | <b>(1,961)</b>                 | <b>(2,068)</b>                 | <b>(2,197)</b>                 | <b>(2,334)</b>                 | <b>(2,330)</b>                 |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| General Rates - set on land value                                  | 2,477                         | 2,574                        | 2,627                           | 2,818                           | 2,852                          | 3,022                          | 3,112                          | 3,245                          | 3,417                          | 3,591                          | 3,639                          |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | 4,200                         | 4,244                        | 4,185                           | 4,471                           | 8,655                          | 4,658                          | 4,778                          | 5,441                          | 5,405                          | 5,710                          | 5,408                          |
| User charges and regulatory income (consent fees, infringements et | 198                           | 209                          | 215                             | 221                             | 228                            | 234                            | 241                            | 248                            | 256                            | 263                            | 271                            |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | 43                           | 44                              | 46                              | 47                             | 48                             | 50                             | 51                             | 53                             | 55                             | 56                             |
| <b>Total income</b>  | <b>6,875</b>                  | <b>7,070</b>                 | <b>7,071</b>                    | <b>7,556</b>                    | <b>11,782</b>                  | <b>7,962</b>                   | <b>8,181</b>                   | <b>8,985</b>                   | <b>9,131</b>                   | <b>9,619</b>                   | <b>9,374</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 2,735                         | 2,661                        | 2,787                           | 2,883                           | 2,912                          | 3,012                          | 3,119                          | 3,228                          | 3,342                          | 3,458                          | 3,581                          |
| Finance costs  | 13                            | 31                           | 30                              | 30                              | 48                             | 47                             | 45                             | 42                             | 40                             | 37                             | 34                             |
| Internal charges and overheads applied                             | 63                            | 72                           | 75                              | 78                              | 73                             | 76                             | 78                             | 81                             | 83                             | 86                             | 88                             |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 4,467                         | 4,353                        | 4,368                           | 4,785                           | 4,840                          | 4,890                          | 5,337                          | 5,347                          | 5,357                          | 5,846                          | 5,857                          |
| <b>Total expenditure</b>   | <b>7,278</b>                  | <b>7,117</b>                 | <b>7,260</b>                    | <b>7,776</b>                    | <b>7,873</b>                   | <b>8,025</b>                   | <b>8,579</b>                   | <b>8,698</b>                   | <b>8,822</b>                   | <b>9,427</b>                   | <b>9,560</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>( 403)</b>                 | <b>( 47)</b>                 | <b>( 189)</b>                   | <b>( 220)</b>                   | <b>3,909</b>                   | <b>( 63)</b>                   | <b>( 398)</b>                  | <b>287</b>                     | <b>309</b>                     | <b>192</b>                     | <b>( 186)</b>                  |

## [8] How we manage our assets that support this activity

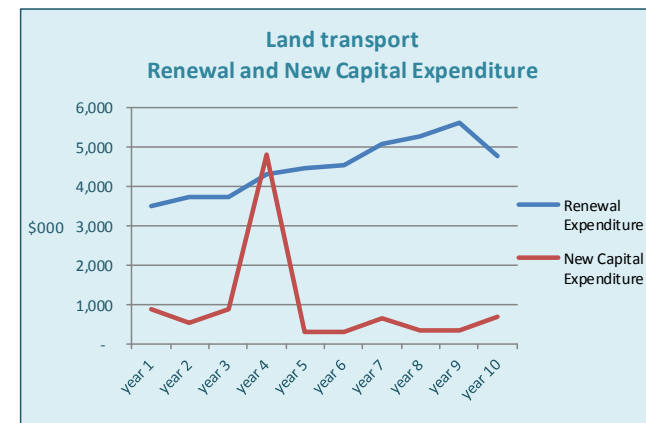
Council has an extensive level of information about its roading and associated assets. This information is contained in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Other than those projects identified below under “Increase in level of service – significant projects”, the focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors.

## [9] Significant capital expenditure

### Summary



### Significant Renewal projects

|  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|--|--------|--------|--------|-------------------|-------------------------------|
| General renewals of roading network        | 2,441  | 2,532  | 2,621  | 21,121            | all years                     |
| General Bridge component renewals          | 484    | 502    | 520    | 4,189             | all years                     |
| Replacement of assets after severe weather | 456    | 473    | 490    | 3,945             | all years                     |
| Rough & Tumble Bridge Renewal              | -      | -      | -      | 362               | year 6                        |
| Deep Crk No.1 Bridge Renewal               | -      | -      | -      | 442               | year 7                        |
| Rum Creek Bridge Renewal                   | -      | 107    | -      | -                 |                               |
| Stillwater Railway Overbridge replacement  | -      | -      | -      | 1,011             | years 8/9                     |
| Slaty Creek - Lake Brunner Road renewal    | -      | -      | -      | 493               | year 9                        |
| Arnold Valley Rd reconstruction            | -      | -      | -      | 862               | years 4/5                     |
| Nelson Creek - Haupiri Rd reconstruction   | -      | -      | -      | 628               | years 7/8                     |
| Footpath Renewals                          | 109    | 102    | 105    | 848               | all years                     |

### Increase in level of service – significant projects

|  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|--|--------|--------|--------|-------------------|-------------------------------|
| On-going minor safety improvements       | 257    | 266    | 276    | 2,220             | <i>all years</i>              |
| Atarau Rd strengthening and widening     | -      | -      | 307    | 316               | <i>year 4</i>                 |
| Taylorville-Blackball Rd strengthening   | 289    | 267    | 275    | 309               | <i>year 7</i>                 |
| Rough River Bridge replacement (upgrade) | -      | -      | -      | 4,189             | <i>year 4</i>                 |
| Arnold River Bridge strengthening        | -      | -      | -      | 338               | <i>year 10</i>                |
| Coastal Pathway                          | 215    | -      | -      | -                 |                               |

### Additional capacity

None specifically provided for in plan, beyond providing for future growth when replacing assets.

### What additional capacity is required?

The Activity Management Plan contains detailed assessment of anticipated increases in demand. Essentially over the next 10 years there is unlikely to be any anticipated significant increase in demand based on population growth projections.

With respect to renewals which also include increased level of service and or capacity the reasons for this are:

- Roads – to meet current and future traffic volumes over the next 25 years
- Bridges – to comply with current bridge standards and to meet current and future traffic volumes over the next 30 years.

With respect to subdivision development requirements are in place to recover the costs of any required increase in capacity or any new roads.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP.

Assumptions re Sources of funding for replacement of assets are:

- NZTA funding will be maintained throughout the life of this Plan and funding rates will not materially change from what has been signalled by NZTA.
- Project costs net of NZTA subsidy will primarily be funded through loans funded over the expected life of the asset. Other sources of funding include:

- Rates
- Financial contributions

## [11] Potential negative effects of this activity (significant)

Council's work in building new, and maintaining existing roads can potentially cause noise, dust, vibration and traffic congestion, while road accidents can and will happen. Contaminants from the road surface can also be transferred to adjacent properties, drains and other waterways.

## [2] Stormwater

### [1] Activities included in this group

Stormwater includes the following key functions:

- Management of Stormwater systems (mostly in urban residential areas) including public open drains.
- Flood prevention. This includes maintaining urban watercourses.

Note: Council has a minor Flood Protection responsibility in that it puts floodgates in place in specific locations when levels in the Grey River reach a specific height.

### [2] Why we are involved in this activity/these activities

Council needs to control stormwater to protect our community's health and safety and minimise property damage and access. Adequate collection and disposal arrangements are of critical importance and the flood prevention focus is important.

### [3] Contribution to Council's Vision

| OUTCOME                                   | CONTRIBUTION   |
|---|--|
| Growing the local economy                 | Effective stormwater management and land drainage are prerequisites for a healthy, growing economy.                    |
| Affordable, quality services              | Efficient stormwater management is an important essential service which determines enjoyment of property.              |
| Personal and property safety              | Stormwater ponding on land causes damage and compromises access and enjoyment thereof.                                 |
| Sustainable management of the Environment | Ponding has the potential of damaging the environment notably in our case where sewer contamination is still an issue. |

### [4] What we'll provide

A summary of Council's stormwater infrastructure is as follows:

| Community          | Pipe Drains (Km) | Stormwater Pump Stations (Number) | Flood Scheme                          |
|--------------------|------------------|-----------------------------------|---------------------------------------|
| Ahaura             | 1.025            |                                   |                                       |
| Blackball          | 0.847            |                                   |                                       |
| Blaketown          | 3.219            | 1                                 | Greymouth Scheme                      |
| Cobden             | 14.603           | 1                                 | Greymouth Scheme                      |
| Dobson/Taylorville | 5.049            |                                   |                                       |
| Greymouth          | 34.157           | 2                                 | (Greymouth and Sawyers Creek Schemes) |
| Iveagh Bay         | 1.617            |                                   |                                       |
| Karoro             | 5.339            |                                   |                                       |
| Moana              | 4.307            |                                   |                                       |
| Runanga            | 9.358            |                                   |                                       |
| South Beach/Paroa  | 2.922            | 1                                 |                                       |
| Other areas        | 2.033            |                                   |                                       |
| Total              | 84.475           | 5                                 |                                       |

Information on minor stormwater drains is incomplete and efforts to record actual data are ongoing.

The following stormwater standards apply:

- All urban systems with the exception of Greymouth CBD are designed to cope with a 1 in 5 year on average storm, no ponding is evident after 2 hours after the rain stops and there is no damage to houses.
- The Greymouth Central Business Area system is designed to cope with a 1 in 1 year on average storm. Physical constraints make it very difficult to improve this performance without considerable capital investment.
- Ponding or secondary flow on local roads is limited to 100 mm maximum in height at the centreline such that the road is passable in a 1 in 20 year on average storm.

Council will undertake the following:

- stormwater maintenance works
- stormwater network renewals
- stormwater utilities renewals.
- Clearance of open public drains

- Clearance of urban drainage channels
- Placement of flood gates when Grey River levels reach a certain height.

## [5] Key issues facing the activity

Key issues over the next 10 years are anticipated to be:

- Phase II of the Greymouth Stormwater upgrade had to be deferred indefinitely because of budgetary constraints (phase 2 involves Improvements to reduce flooding in the Alexander, Tainui and Whall Street areas and CBD areas).
- The Plan provides for depreciation not to be funded to requisite levels during the currency of this Plan. This will require revenue increases in future budgets.
- The need to Improve flood protection on Raleigh Creek for Runanga (in consultation with WCRC).
- The need to Improve flood protection in the lower Cobden area (in consultation with WCRC).
- Earthquake resilience of stormwater pump stations.
- Climate change impacts on Coastal Erosion and the capacity of stormwater systems
- Ensuring lifelines capability
- Updating the Sanitary Services Assessment



**[6] Performance measures**

| Activity Goal                | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|------------------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                              |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service           | By providing a reliable and efficient stormwater system                                  | Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events.                          | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                              |  | Minimum % satisfied per survey with overall stormwater service.   | 65%                        | 65%           | 65%                       | 65%                        |
|                              |  | Minimum % satisfied with the way their property drains stormwater in urban and residential areas.                                     | new measure                | 60%           | 60%                       | 60%                        |
|                              |  | Number of local road closures due to surface flooding is less than X per year.  | new measure                | 30            | 30                        | 30                         |
|                              |  | Information is readily available on the schemes   | new measure                | Achieved      | Achieved                  | Achieved                   |
| Financial sustainability     | Schemes are maintained with respect for current and future generations                   | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>4</sup> | 38%                        | 40%           | 44%                       | 48%                        |
| Environmental sustainability | Stormwater discharges are managed without adversely affecting the receiving environment. | Maximum number of resource consent breaches   | Nil                        | Nil           | Nil                       | Nil                        |

<sup>4</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [7] Financial information

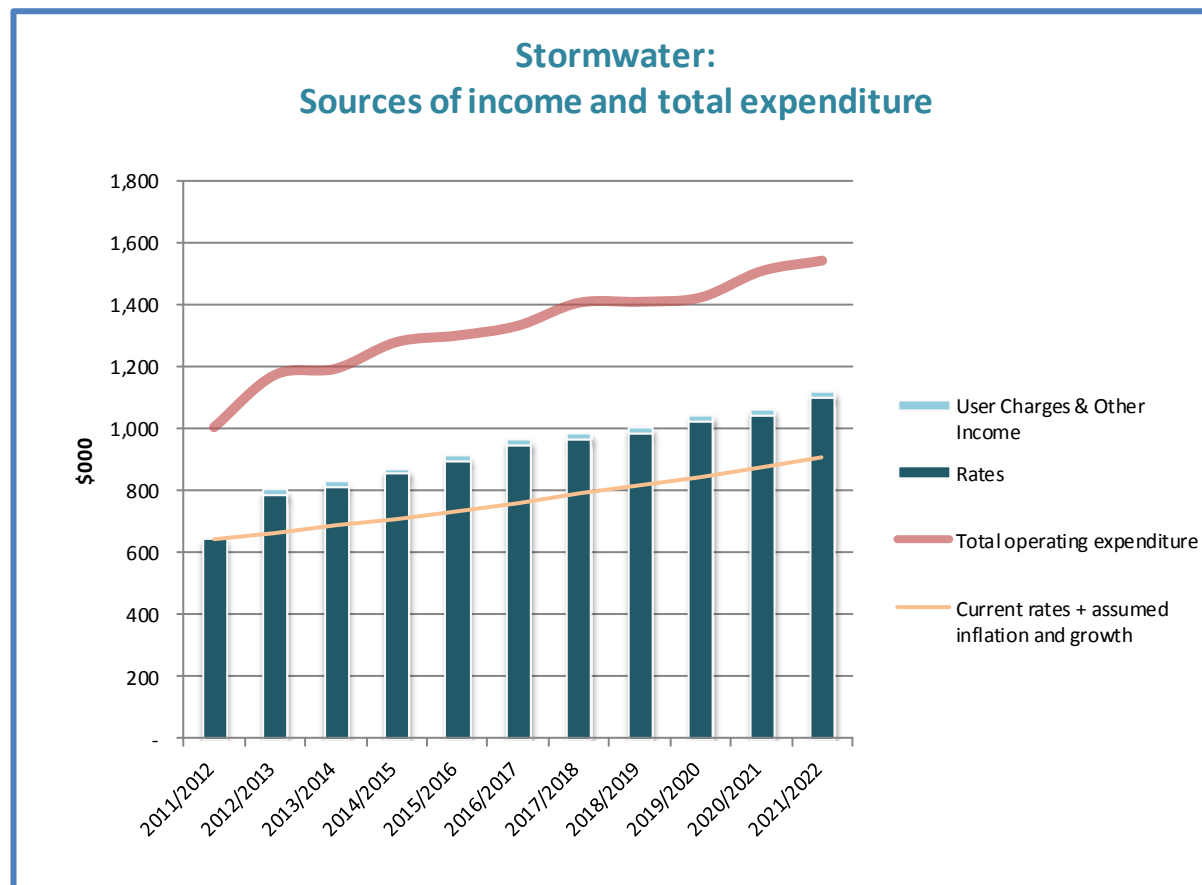
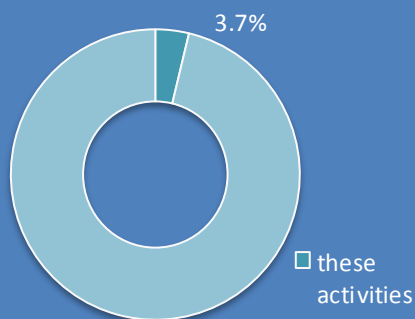
### Activity funding

These activities are mainly funded by:

General Rates

- The district requires efficient stormwater/flood protection assets for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district

Percentage of total Council operating expenditure for 10 year plan



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 645                           | 787                          | 810                             | 853                             | 895                            | 945                            | 967                            | 985                            | 1,025                          | 1,042                          | 1,099                          |
| Targeted rates (other than a metered rate for water supply )           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total operating funding [A]</b>                                     | <b>645</b>                    | <b>787</b>                   | <b>810</b>                      | <b>853</b>                      | <b>895</b>                     | <b>945</b>                     | <b>967</b>                     | <b>985</b>                     | <b>1,025</b>                   | <b>1,042</b>                   | <b>1,099</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 328                           | 296                          | 314                             | 320                             | 324                            | 343                            | 349                            | 353                            | 366                            | 379                            | 394                            |
| Finance costs  | 19                            | 79                           | 77                              | 90                              | 103                            | 110                            | 105                            | 100                            | 95                             | 89                             | 101                            |
| Internal charges and overheads applied                                 | 101                           | 135                          | 139                             | 144                             | 148                            | 153                            | 158                            | 162                            | 167                            | 172                            | 178                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>448</b>                    | <b>510</b>                   | <b>530</b>                      | <b>554</b>                      | <b>575</b>                     | <b>606</b>                     | <b>612</b>                     | <b>615</b>                     | <b>628</b>                     | <b>640</b>                     | <b>673</b>                     |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>197</b>                    | <b>277</b>                   | <b>280</b>                      | <b>299</b>                      | <b>320</b>                     | <b>339</b>                     | <b>355</b>                     | <b>370</b>                     | <b>397</b>                     | <b>402</b>                     | <b>426</b>                     |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | ( 76)                         | 237                          | ( 32)                           | 171                             | 185                            | 88                             | ( 70)                          | ( 75)                          | ( 81)                          | ( 86)                          | 159                            |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>( 76)</b>                  | <b>237</b>                   | <b>( 32)</b>                    | <b>171</b>                      | <b>185</b>                     | <b>88</b>                      | <b>( 70)</b>                   | <b>( 75)</b>                   | <b>( 81)</b>                   | <b>( 86)</b>                   | <b>159</b>                     |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 157                           | 3                            | 3                               | 3                               | 3                              | 32                             | 4                              | 4                              | 4                              | 4                              | 4                              |
| —to replace existing assets  | 78                            | 511                          | 245                             | 467                             | 502                            | 395                            | 281                            | 291                            | 301                            | 312                            | 585                            |
| Increase (decrease) in reserves  | ( 114)                        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | 11                             | -                              | ( 4)                           |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>121</b>                    | <b>514</b>                   | <b>248</b>                      | <b>470</b>                      | <b>505</b>                     | <b>427</b>                     | <b>285</b>                     | <b>295</b>                     | <b>316</b>                     | <b>316</b>                     | <b>585</b>                     |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>( 197)</b>                 | <b>( 277)</b>                | <b>( 280)</b>                   | <b>( 299)</b>                   | <b>( 320)</b>                  | <b>( 339)</b>                  | <b>( 355)</b>                  | <b>( 370)</b>                  | <b>( 397)</b>                  | <b>( 402)</b>                  | <b>( 426)</b>                  |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | 103                          | 106                             | 109                             | 112                            | 115                            | 119                            | 122                            | 126                            | 130                            | 134                            |
| General Rates - set on land value                                  | 645                           | 684                          | 704                             | 744                             | 783                            | 830                            | 848                            | 863                            | 899                            | 912                            | 965                            |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | 17                           | 18                              | 18                              | 19                             | 19                             | 20                             | 21                             | 21                             | 22                             | 23                             |
| <b>Total income</b>  | <b>645</b>                    | <b>804</b>                   | <b>828</b>                      | <b>871</b>                      | <b>914</b>                     | <b>964</b>                     | <b>987</b>                     | <b>1,006</b>                   | <b>1,046</b>                   | <b>1,064</b>                   | <b>1,122</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 328                           | 296                          | 314                             | 320                             | 324                            | 343                            | 349                            | 353                            | 366                            | 379                            | 394                            |
| Finance costs  | 19                            | 79                           | 77                              | 90                              | 103                            | 110                            | 105                            | 100                            | 95                             | 89                             | 101                            |
| Internal charges and overheads applied                             | 101                           | 135                          | 139                             | 144                             | 148                            | 153                            | 158                            | 162                            | 167                            | 172                            | 178                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 556                           | 663                          | 663                             | 725                             | 725                            | 726                            | 794                            | 794                            | 795                            | 868                            | 869                            |
| <b>Total expenditure</b>   | <b>1,004</b>                  | <b>1,173</b>                 | <b>1,193</b>                    | <b>1,279</b>                    | <b>1,300</b>                   | <b>1,332</b>                   | <b>1,406</b>                   | <b>1,409</b>                   | <b>1,423</b>                   | <b>1,508</b>                   | <b>1,542</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>( 359)</b>                 | <b>( 369)</b>                | <b>( 365)</b>                   | <b>( 408)</b>                   | <b>( 386)</b>                  | <b>( 368)</b>                  | <b>( 419)</b>                  | <b>( 403)</b>                  | <b>( 377)</b>                  | <b>( 444)</b>                  | <b>( 420)</b>                  |

## [8] How we manage our assets that support this activity

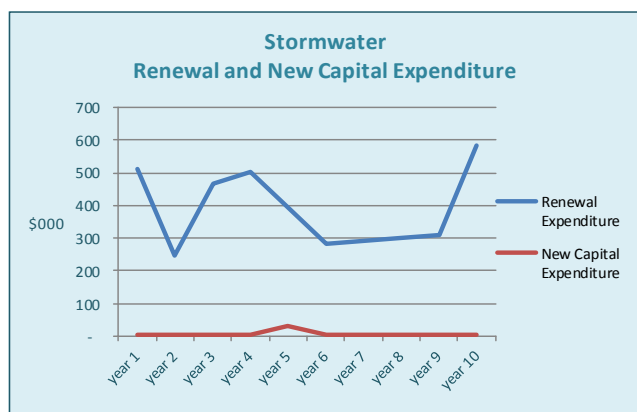
Council has an extensive level of information about its stormwater and associated assets but information re open public drains is lacking. Information is contained in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, road, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

The focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors.

## [9] Significant capital expenditure

### Summary



## Significant Renewal projects

|  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|--|--------|--------|--------|-------------------|-------------------------------|
| General renewals (replacement of assets) | 245    | 245    | 254    | 2,042             | all years                     |
| Replace Johnson St stormwater pump       | -      | -      | 214    | -                 |                               |
| Replace Tarry Creek stormwater pump      | -      | -      | -      | 240               | year 4                        |
| Replace Blaketown stormwater pump        | -      | -      | -      | 124               | year 5                        |
| Replace Nelson Quay stormwater pump      | 183    | -      | -      | -                 |                               |
| Replace low pumps for Nelson Quay        | -      | -      | -      | 262               | year 10                       |
| Structural repairs - Johnson st          | 84     | -      | -      | -                 |                               |

## Increase in level of service – significant projects

Nil

## Additional capacity

The Activity Management Plan shows no significant increase in demand based on population growth projections.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP.

Assumptions re Sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset. Other sources of funding include:
  - rates
  - Financial contributions

## [11] Potential negative effects of this activity (significant)

Whilst the stormwater service as such can have negative effects in the form of collection and discharges of contaminants, it is more capacity constraints of the systems that can have

significant effects. The primary example is the capacity constraints of the Greymouth CBD system and associated surface flooding during extreme rain events.

# [3] Wastewater (sewerage)

## [1] Activities included in this group

Sewerage includes collection, treatment and disposal in the 6 Council schemes of:

- Wider Greymouth area (Greymouth, Cobden, Blaketown, Boddytown)
- Karoro, South Beach, Paroa.
- Runanga/Dunollie:
- Moana
- Blackball.
- Iveagh Bay (Te Kinga).

The Kaiata Developments scheme is likely to transfer to Council before or during the term of this LTP.

## [2] Why are we involved in this activity

By collecting, treating and disposing of wastewater, Council provides a service to residents and businesses that supports development in the District and protects the physical environment and our community's health.

## [3] Contribution to Council's Vision

| OUTCOME                                   | CONTRIBUTION  |
|---|---|
| Growing the local economy                 | Effective wastewater management is a prerequisite for a healthy, growing economy.   |
| Affordable, quality services              | Efficient wastewater management is an important essential service which determines enjoyment of property and quality of life. |
| Personal and property safety              | Efficient wastewater management is most important for maintaining a healthy community.  |
| Sustainable management of the Environment | The need to treat wastewater to required standards is most important to avoid harm to the environment                         |

## [4] What we'll provide

A summary of Council's wastewater infrastructure is as follows:

| Community Area                | Existing Connections | Treated discharge to |
|-------------------------------|----------------------|----------------------|
| Karoro, South Beach and Paroa | 693                  | Tasman Sea           |
| Kaiata Park                   | 62                   | Ground               |
| Blackball                     | 221                  | Ford Creek           |
| Moana                         | 312                  | Arnold River         |
| Iveagh Bay                    | 26                   | Ground               |
| Runanga-Dunollie              | 576                  | 7 Mile Creek         |
| Cobden                        | 763                  | Grey River           |
| Blaketown                     | 369                  | Grey River           |
| Greymouth Central             | 638                  | Grey River           |
| Greymouth South               | 2264                 | Grey River           |

The Schemes for Cobden, Greymouth and Blaketown are for Stage 1 treatment only and require consents to a higher level of treatment by 2014.

Council will attend to the following:

- On-going maintenance of the network (i.e. pipes) and plant (pumps etc...)
- Sewer renewals and replacement
- Pumping station annual maintenance
- Wastewater network cyclical replacement
- Management of systems as Lifelines

## [5] Key issues facing the activity

Key issues over the next 10 years are anticipated to be:

- Design and construction of a sewage scheme for Dobson, Taylorville and Kaiata by mid-2013 (subject to community approval).
- Completion of the Greymouth Sewage Scheme by mid-2014.
- Renewing a significant portion of the Runanga/Dunollie system (25% - 30%) of all lines. Based on current condition assessments known of the assets this is expected to deal with the worst areas. It is likely a further portion of the network (estimated

another 25% - 30%) will be due for replacement in the 10 years following this plan (2022 – 2032).

- Earthquake resilience of sewage schemes.
- Ensuring lifelines capability
- Sanitary Services Assessment - With respect to wastewater other than the increased emphasis on lifeline considerations which were not a direct consideration of the assessment of water and other sanitary services at the time there are no significant variations from this assessment



**[6] Performance measures**

| Activity Goal                | How the goal is to be achieved  | Measurement of achievement   | Target                     |               |                           |                            |
|------------------------------|---|--|----------------------------|---------------|---------------------------|----------------------------|
|                              |   |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service           | By providing a safe service   | Wastewater overflows into houses due to faults in the public reticulation.   | Nil                        | Nil           | Nil                       | Nil                        |
|                              |   | Maximum number of overflows affecting properties more than twice a year per 1000 properties.   | New measure                | 20            | 15                        | 12                         |
|                              |   | Any non-compliance is publicly advertised:<br>Within ½ hour on the website<br>Same day on the local radio station<br>The next publication of the local daily newspaper | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                              | Residents overall satisfaction with the service   | Minimum % satisfied per survey.  | 67%                        | 65%           | 67%                       | 70%                        |
|                              | Residents are provided with a reliable and efficient sewerage service                             | Maximum number of customers who experience a public wastewater service problem in any year   | 19                         | 20            | 20                        | 20                         |
|                              |   | All planned shutdowns are notified at least 24 hours prior   | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                              | Information is readily available on the schemes   | Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.   | ?                          | Achieved      | Achieved                  | Achieved                   |
| Financial sustainability     | Schemes are maintained with respect for current and future generations                            | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>5</sup>                                  | 45%                        | 45%           | 50%                       | 60%                        |
| Environmental sustainability | Treated waste water discharges are managed without adversely affecting the receiving environment. | Maximum number of resource consent infringements   | Nil                        | Nil           | Nil                       | Nil                        |

<sup>5</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [7] Financial information

### Activity funding

These activities are mainly funded by:

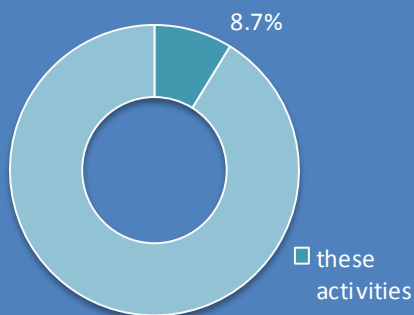
Targeted Rates

- Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate

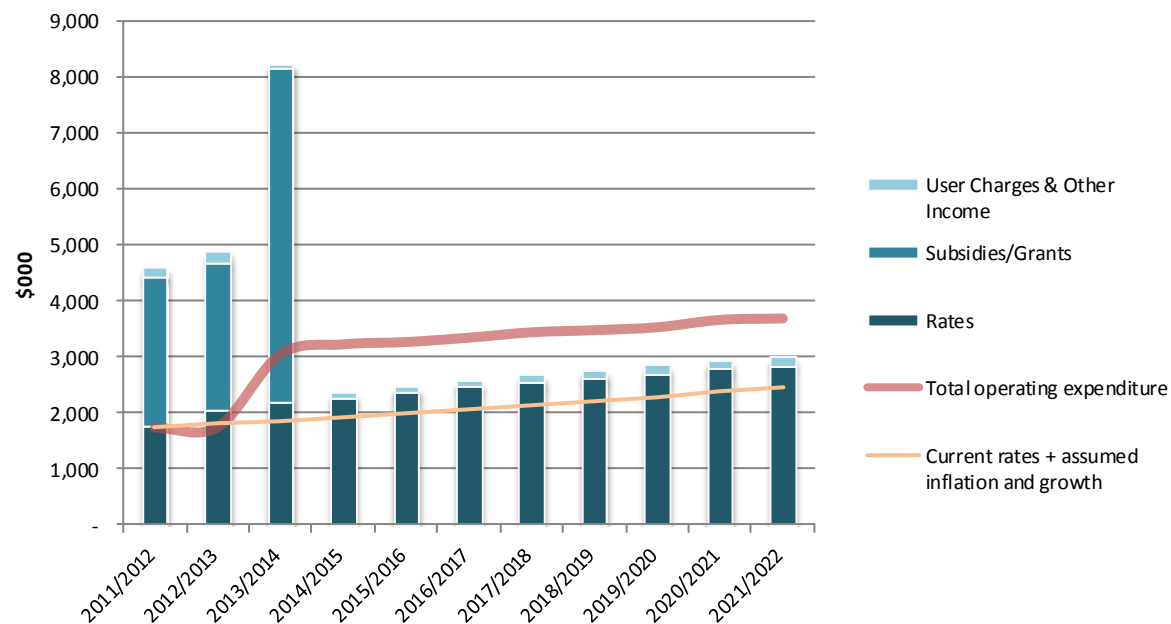
Subsidies and loans

- New capital works are funded via any available subsidies and loans. The targeted rate meets the required loan repayment

Percentage of total Council operating expenditure for 10 year plan



### Wastewater: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (other than a metered rate for water supply )           | 1,749                         | 2,012                        | 2,182                           | 2,251                           | 2,354                          | 2,452                          | 2,520                          | 2,596                          | 2,677                          | 2,765                          | 2,825                          |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | 37                            | 38                           | 39                              | 40                              | 41                             | 43                             | 44                             | 45                             | 47                             | 47                             | 50                             |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 84                            | 155                          | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total operating funding [A]</b>                                     | <b>1,870</b>                  | <b>2,205</b>                 | <b>2,221</b>                    | <b>2,291</b>                    | <b>2,395</b>                   | <b>2,495</b>                   | <b>2,564</b>                   | <b>2,641</b>                   | <b>2,724</b>                   | <b>2,812</b>                   | <b>2,875</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 605                           | 733                          | 787                             | 830                             | 863                            | 914                            | 923                            | 957                            | 986                            | 1,027                          | 1,054                          |
| Finance costs  | 75                            | 49                           | 1,071                           | 1,095                           | 1,096                          | 1,116                          | 1,135                          | 1,131                          | 1,148                          | 1,164                          | 1,155                          |
| Internal charges and overheads applied                                 | 161                           | 176                          | 184                             | 190                             | 196                            | 203                            | 209                            | 216                            | 222                            | 229                            | 236                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>841</b>                    | <b>958</b>                   | <b>2,042</b>                    | <b>2,115</b>                    | <b>2,155</b>                   | <b>2,233</b>                   | <b>2,267</b>                   | <b>2,304</b>                   | <b>2,356</b>                   | <b>2,420</b>                   | <b>2,445</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>1,029</b>                  | <b>1,247</b>                 | <b>179</b>                      | <b>176</b>                      | <b>240</b>                     | <b>262</b>                     | <b>297</b>                     | <b>337</b>                     | <b>368</b>                     | <b>392</b>                     | <b>430</b>                     |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | 2,667                         | 2,667                        | 5,979                           | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | 43                            | 13                           | 14                              | 40                              | 41                             | 55                             | 87                             | 92                             | 112                            | 104                            | 108                            |
| Increase (decrease) in debt  | ( 26)                         | 14,488                       | 180                             | 293                             | ( 1)                           | 261                            | 244                            | ( 73)                          | 208                            | 207                            | ( 151)                         |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>2,684</b>                  | <b>17,168</b>                | <b>6,173</b>                    | <b>333</b>                      | <b>40</b>                      | <b>316</b>                     | <b>331</b>                     | <b>19</b>                      | <b>320</b>                     | <b>311</b>                     | <b>( 43)</b>                   |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 4,154                         | 22,585                       | 6,216                           | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to replace existing assets  | 202                           | 209                          | 481                             | 498                             | 231                            | 530                            | 548                            | 256                            | 584                            | 602                            | 284                            |
| Increase (decrease) in reserves  | ( 638)                        | ( 4,372)                     | ( 338)                          | 4                               | 40                             | 24                             | 22                             | 34                             | 13                             | ( 1)                           | ( 8)                           |
| Increase (decrease) of investments                                     | ( 5)                          | ( 7)                         | ( 7)                            | 7                               | 9                              | 24                             | 58                             | 66                             | 91                             | 102                            | 111                            |
| <b>Total applications of capital funding [D]</b>                       | <b>3,713</b>                  | <b>18,415</b>                | <b>6,352</b>                    | <b>509</b>                      | <b>280</b>                     | <b>578</b>                     | <b>628</b>                     | <b>356</b>                     | <b>688</b>                     | <b>703</b>                     | <b>387</b>                     |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>( 1,029)</b>               | <b>( 1,247)</b>              | <b>( 179)</b>                   | <b>( 176)</b>                   | <b>( 240)</b>                  | <b>( 262)</b>                  | <b>( 297)</b>                  | <b>( 337)</b>                  | <b>( 368)</b>                  | <b>( 392)</b>                  | <b>( 430)</b>                  |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| General Rates - set on land value                                  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (including targeted rates for water supply)         | 1,749                         | 2,012                        | 2,182                           | 2,251                           | 2,354                          | 2,452                          | 2,520                          | 2,596                          | 2,677                          | 2,765                          | 2,825                          |
| Subsidies and grants (operating and capital)                       | 2,667                         | 2,667                        | 5,979                           | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | 164                           | 206                          | 53                              | 80                              | 82                             | 98                             | 131                            | 137                            | 159                            | 151                            | 158                            |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | 13                           | 13                              | 14                              | 14                             | 15                             | 15                             | 16                             | 16                             | 17                             | 17                             |
| <b>Total income</b>  | <b>4,580</b>                  | <b>4,898</b>                 | <b>8,227</b>                    | <b>2,345</b>                    | <b>2,450</b>                   | <b>2,565</b>                   | <b>2,666</b>                   | <b>2,749</b>                   | <b>2,852</b>                   | <b>2,933</b>                   | <b>3,000</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 605                           | 733                          | 787                             | 830                             | 863                            | 914                            | 923                            | 957                            | 986                            | 1,027                          | 1,054                          |
| Finance costs  | 75                            | 49                           | 1,071                           | 1,095                           | 1,096                          | 1,116                          | 1,135                          | 1,131                          | 1,148                          | 1,164                          | 1,155                          |
| Internal charges and overheads applied                             | 161                           | 176                          | 184                             | 190                             | 196                            | 203                            | 209                            | 216                            | 222                            | 229                            | 236                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 890                           | 784                          | 1,001                           | 1,104                           | 1,105                          | 1,105                          | 1,167                          | 1,168                          | 1,168                          | 1,236                          | 1,236                          |
| <b>Total expenditure</b>   | <b>1,731</b>                  | <b>1,742</b>                 | <b>3,043</b>                    | <b>3,219</b>                    | <b>3,260</b>                   | <b>3,338</b>                   | <b>3,434</b>                   | <b>3,472</b>                   | <b>3,524</b>                   | <b>3,656</b>                   | <b>3,681</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>2,849</b>                  | <b>3,156</b>                 | <b>5,184</b>                    | <b>( 874)</b>                   | <b>( 810)</b>                  | <b>( 773)</b>                  | <b>( 768)</b>                  | <b>( 723)</b>                  | <b>( 672)</b>                  | <b>( 723)</b>                  | <b>( 681)</b>                  |

## [8] How we manage our assets that support this activity

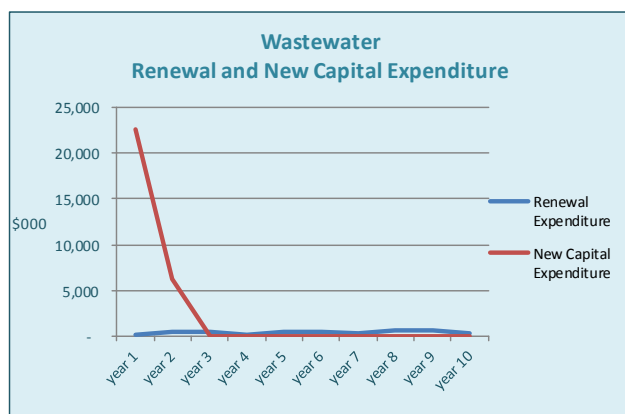
Council has an extensive level of information about its Wastewater and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

The focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors. As stated, the Taylorville/Dobson/Kaiata scheme may well be implemented.

## [9] Significant capital expenditure

### Summary



### Significant Renewal projects

|                            | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|----------------------------|--------|--------|--------|-------------------|-------------------------------|
| General renewals           | 201    | 208    | 215    | 1,737             | all years                     |
| Runanga system replacement | -      | 267    | 275    | 1,240             | all years                     |

## Increase in level of service – significant projects

|   | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---|--------|--------|--------|-------------------|-------------------------------|
| Greymouth wastewater upgrade            | 15,350 | 6,000  | -      | -                 |                               |
| Runanga Pond effluent discharge upgrade | -      | 216    | -      | -                 |                               |
| Dobson/Kaiata/Taylorville scheme        | 7,235  | -      | -      | -                 |                               |

## Additional capacity

The Activity Management Plan shows no significant increase in demand based on population growth projections.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP.

Assumptions re Sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset. Other sources of funding include:
  - rates
  - Financial contributions

## [11] Potential negative effects of this activity (significant)

The capacity of sewerage systems may be exceeded in extreme weather events which may result in wastewater overflows. Component failure may also cause system under-performance which, in turn can result in overflows.

# [4] Water supply

## [1] Activities included in this group

Water supply includes sourcing, treatment and distribution from the 5 Council water supply, schemes of:

- Wider Greymouth (Greymouth, Cobden, Blaketown, Boddytown, Karoro, South Beach, Paroa).
- Runanga/Dunollie/Rapahoe:
- Stillwater.
- Blackball.
- Taylorville/Dobson.

The Kaiata Developments scheme is likely to transfer to Council before or during the term of this LTP.

## [2] Why we are involved in this activity/these activities

We provide quality, affordable water and, in the process contribute to:

- Our community's health
- Community safety (through water supply for fire fighting)
- Industrial and residential development.

## [3] Contribution to Council's Vision

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | A good, quality water supply is a prerequisite for a healthy, growing economy.                      |
| Affordable, quality services | Water is an important essential service which determines enjoyment of property and quality of life. |

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Personal and property safety | Water is a basic necessity. It is an important requirement for a healthy community that water must at all times be potable.<br>Easy access to a pressurised water supply is also necessary for fire fighting. |

## [4] What we'll provide

A summary of Council's Water infrastructure and distribution is as follows :

| Scheme                     | No. of Connections | Water source | Water treated | Latest water grading* |
|----------------------------|--------------------|--------------|---------------|-----------------------|
| Greymouth (Greymouth zone) | 3,644              | Grey River   | Yes           | Ec                    |
| Greymouth (Cobden zone)    | 3,644              | Grey River   | Yes           | Eb                    |
| Runanga/Dunollie/Rapahoe   | 620                |              | No            | Ed                    |
| Taylorville Dobson         | 280                | Grey River   | Yes           | Eb                    |
| Blackball                  | 191                |              | Yes           | Ec                    |
| Stillwater                 | 42                 | Grey River   | Yes           | Eb                    |

\* The water grading measurements used above give a result for both the water at the:

1. Source/treatment plant (the first CAPITAL letter); and
2. Within the distribution network/pipes (the second lowercase letter).

The letters stand for the following:

| Water Source & Treatment Plant | Distribution System /Network | Risk Level | description   |
|--------------------------------|------------------------------|------------|---|
| A1                             | n/a                          | 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 will provide a sustainable and quality water supply to connected communities for domestic and commercial use. We regularly monitor the quality of water and plan for the needs of the District as a whole, and individual communities within the District, including any maintenance and upgrades needed to retain service levels. A specific focus of this Plan is to address quality issues in relation to our water supplies.

This is a core business for Council.

## [5] Key issues facing the activity

Key issues over the next 10 years are anticipated to be:

- The vulnerability of the Runanga/Rapahoe water supply to contamination through bacteria and other harmful organisms as a result of the community's choice not to have chlorination.
- The introduction of additional treatment on Council's water supplies as a means of capturing micro-organisms as well as addressing turbidity (refer further discussion below).
- Earthquake resilience of all schemes
- Lifeline requirements
- Water Services Assessment - With respect to water supplies there are no significant variations from this assessment

The focus on filtration is to balance the requirements of bringing water supplies in line with the New Zealand Drinking Water Standards, and considering the ability to pay of the communities. Under current legislation/regulations; Schemes must comply with such standards by:

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

In this Plan Council has included the capital and operating costs required for the Greymouth scheme only (upgrade required to be carried out year one, and operational by start of year two). Council is currently concerned that the cost of upgrading the smaller three schemes is a too great a cost for the communities to absorb. This is largely influenced by:

- Runanga is also facing significant cost increases to renew their sewerage scheme

- Dobson/Taylorville is being consulted on the option of a new sewerage scheme, the cost alone which will see their average rates increase approximately 80%.

Despite the above concerns and after consulting with these communities Council has also 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 scheme:

|                               | YEAR 1 | YEAR 2 | YEAR 3 |
|-------------------------------|--------|--------|--------|
|                               | \$000  | \$000  | \$000  |
| Runanga WS upgrade            |        | 699    |        |
| Dobson Taylorville WS upgrade |        | 693    |        |
| Stillwater WS upgrade         |        |        | 605    |

Note for Runanga supply, we will be carrying out further consultation with the community on their preferred option of either connecting to the Greymouth supply or upgrading their standalone scheme to comply. The costs indicated above for Runanga supply assume the standalone scheme will be upgraded.

The Dobson/Taylorville and Stillwater supplies will be connected through to the Greymouth supply.

Council will 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 is indicated in our schedule of rates, refer PART E:[10][7] Targeted rates.

Council will continue to lobby central government to either:

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

**[6] Performance measures**

| Activity Goal         | How the goal is to be achieved                             | Measurement of achievement   | Target  |   |   |   |
|-----------------------|--|--|---|---|---|---|
|                       |  |  | Current Performance (2012)  | Year 1 (2013)   | Years 2 – 3 (2014 – 2015)   | Years 4 – 10 (2016 – 2022)  |
| Quality of service    | By providing a safe water supply                           | Any non-compliance is publicly notified as soon as practical, by advertising: <ul style="list-style-type: none"> <li>• Within ½ hour on the website</li> <li>• Same day on the local radio station</li> <li>• The next available publication of the local daily newspaper</li> </ul> | Achieved  | Achieved  | Achieved  | Achieved  |
|                       |  | Maximum number of notifiable water supply transgressions with Drinking Water Standards per year <ul style="list-style-type: none"> <li>• Greymouth</li> <li>• Blackball</li> <li>• Runanga</li> <li>• Dobson/Taylorville</li> <li>• Stillwater</li> </ul>                            | <ul style="list-style-type: none"> <li>• nil</li> <li>• nil</li> <li>• 6</li> <li>• nil</li> <li>• nil</li> </ul> | <ul style="list-style-type: none"> <li>• nil</li> <li>• nil</li> <li>• 5</li> <li>• 1</li> <li>• 1</li> </ul> | <ul style="list-style-type: none"> <li>• nil</li> <li>• nil</li> <li>• 1</li> <li>• nil</li> <li>• 1</li> </ul> | <ul style="list-style-type: none"> <li>• nil</li> <li>• nil</li> <li>• 1</li> <li>• nil</li> <li>• nil</li> </ul> |
|                       | Residents are happy with the appearance and taste of water | Minimum % satisfied per survey   | 94  | 90  | 90  | 90  |
|                       | Residents are happy with the pressure and flow             | Minimum % satisfied per survey   | 81  | 80  | 80  | 80  |
|                       | Residents overall satisfaction with the service            | Minimum % satisfied per survey.  | 77  | 75  | 75  | 75  |
|                       |  | All planned shutdowns are notified at least 24 hours prior   | Achieved  | Achieved  | Achieved  | Achieved  |
| Access to the service | Council will provide a reliable water supply               | The number of unplanned interruptions (affecting mains and rider mains) per year does not exceed the following amounts (total for all schemes):  | new measure   | 120   | 120   | 120   |



| Activity Goal                | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|------------------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                              |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Financial sustainability     | Schemes are maintained with respect for current and future generations | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>6</sup> | 90%                        | 90%           | 90%                       | 92%                        |
| Environmental sustainability | Water is sourced from a sustainable resource                           | Maximum number of resource consent infringements  | Nil                        | Nil           | Nil                       | Nil                        |

<sup>6</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [7] Financial information

### Activity funding

#### These activities are funded by:

##### Rates

- **Targeted rates** charged to properties connected or able to connect to one of our water schemes
- **Water meter charges** to connected commercial properties that use greater than 300m<sup>3</sup> per annum (300,000 litres)

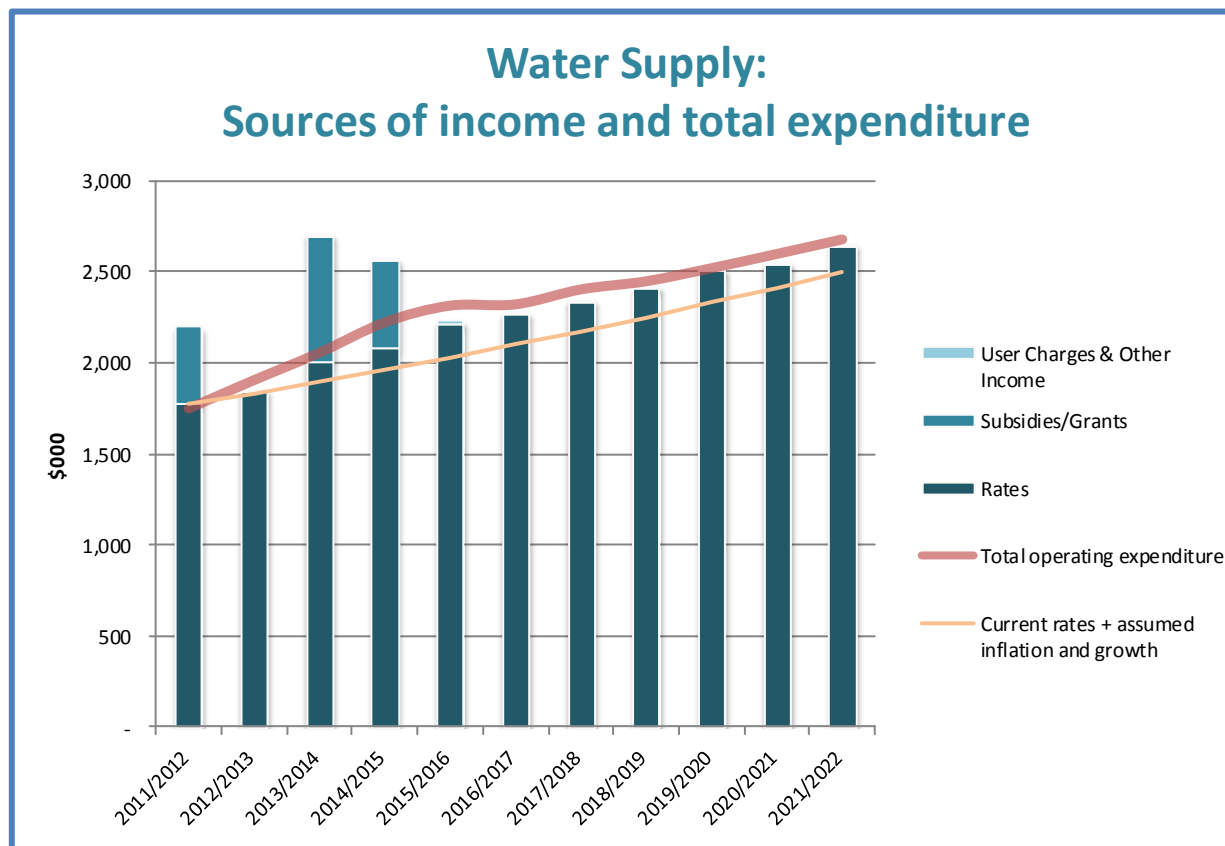
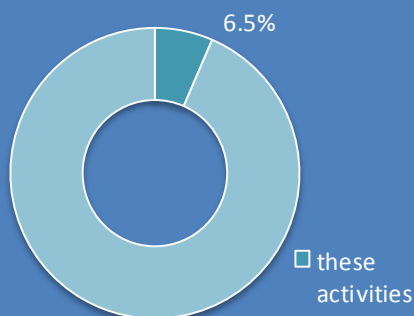
##### User charges and other income

- **Contributions** from developers for new sections connecting to schemes

##### Subsidies and grants

- **Subsidies** from central government to upgrade schemes to higher standards (where available).

#### Percentage of total Council operating expenditure for 10 year plan



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (other than a metered rate for water supply)            | 1,452                         | 1,506                        | 1,658                           | 1,718                           | 1,844                          | 1,879                          | 1,936                          | 1,996                          | 2,078                          | 2,097                          | 2,180                          |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | 328                           | 338                          | 350                             | 362                             | 375                            | 388                            | 401                            | 416                            | 430                            | 445                            | 461                            |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total operating funding [A]</b>                                     | <b>1,780</b>                  | <b>1,844</b>                 | <b>2,008</b>                    | <b>2,080</b>                    | <b>2,219</b>                   | <b>2,267</b>                   | <b>2,337</b>                   | <b>2,412</b>                   | <b>2,508</b>                   | <b>2,542</b>                   | <b>2,641</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 933                           | 943                          | 1,003                           | 1,085                           | 1,169                          | 1,173                          | 1,200                          | 1,242                          | 1,313                          | 1,331                          | 1,407                          |
| Finance costs  | 282                           | 331                          | 377                             | 382                             | 381                            | 377                            | 373                            | 371                            | 366                            | 361                            | 359                            |
| Internal charges and overheads applied                                 | 87                            | 90                           | 99                              | 113                             | 117                            | 123                            | 126                            | 130                            | 136                            | 139                            | 145                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>1,302</b>                  | <b>1,364</b>                 | <b>1,479</b>                    | <b>1,580</b>                    | <b>1,667</b>                   | <b>1,673</b>                   | <b>1,699</b>                   | <b>1,743</b>                   | <b>1,815</b>                   | <b>1,831</b>                   | <b>1,911</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>478</b>                    | <b>480</b>                   | <b>529</b>                      | <b>500</b>                      | <b>552</b>                     | <b>594</b>                     | <b>638</b>                     | <b>669</b>                     | <b>693</b>                     | <b>711</b>                     | <b>730</b>                     |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | 424                           | -                            | 693                             | 484                             | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 381                           | 1,219                        | 651                             | 68                              | (15)                           | (61)                           | (66)                           | (25)                           | (76)                           | (82)                           | (36)                           |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>805</b>                    | <b>1,219</b>                 | <b>1,344</b>                    | <b>552</b>                      | <b>(15)</b>                    | <b>(61)</b>                    | <b>(66)</b>                    | <b>(25)</b>                    | <b>(76)</b>                    | <b>(82)</b>                    | <b>(36)</b>                    |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 610                           | 1,054                        | 1,392                           | 605                             | 42                             | -                              | -                              | 47                             | -                              | -                              | 52                             |
| —to replace existing assets  | 726                           | 653                          | 482                             | 493                             | 517                            | 535                            | 554                            | 574                            | 594                            | 606                            | 636                            |
| Increase (decrease) in reserves  | (53)                          | (8)                          | (1)                             | (46)                            | (22)                           | (2)                            | 18                             | 23                             | 23                             | 23                             | 6                              |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>1,283</b>                  | <b>1,699</b>                 | <b>1,873</b>                    | <b>1,052</b>                    | <b>537</b>                     | <b>533</b>                     | <b>572</b>                     | <b>644</b>                     | <b>617</b>                     | <b>629</b>                     | <b>694</b>                     |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>(478)</b>                  | <b>(480)</b>                 | <b>(529)</b>                    | <b>(500)</b>                    | <b>(552)</b>                   | <b>(594)</b>                   | <b>(638)</b>                   | <b>(669)</b>                   | <b>(693)</b>                   | <b>(711)</b>                   | <b>(730)</b>                   |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| General Rates - set on land value                                  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (including targeted rates for water supply)         | 1,780                         | 1,844                        | 2,008                           | 2,080                           | 2,219                          | 2,267                          | 2,337                          | 2,412                          | 2,508                          | 2,542                          | 2,641                          |
| Subsidies and grants (operating and capital)                       | 424                           | -                            | 693                             | 484                             | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | 13                           | 13                              | 14                              | 14                             | 15                             | 15                             | 16                             | 16                             | 17                             | 17                             |
| <b>Total income</b>  | <b>2,204</b>                  | <b>1,857</b>                 | <b>2,714</b>                    | <b>2,578</b>                    | <b>2,233</b>                   | <b>2,282</b>                   | <b>2,352</b>                   | <b>2,428</b>                   | <b>2,524</b>                   | <b>2,559</b>                   | <b>2,658</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 933                           | 943                          | 1,003                           | 1,085                           | 1,169                          | 1,173                          | 1,200                          | 1,242                          | 1,313                          | 1,331                          | 1,407                          |
| Finance costs  | 282                           | 331                          | 377                             | 382                             | 381                            | 377                            | 373                            | 371                            | 366                            | 361                            | 359                            |
| Internal charges and overheads applied                             | 87                            | 90                           | 99                              | 113                             | 117                            | 123                            | 126                            | 130                            | 136                            | 139                            | 145                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 447                           | 541                          | 576                             | 642                             | 647                            | 648                            | 704                            | 705                            | 705                            | 767                            | 767                            |
| <b>Total expenditure</b>   | <b>1,749</b>                  | <b>1,905</b>                 | <b>2,055</b>                    | <b>2,222</b>                    | <b>2,314</b>                   | <b>2,321</b>                   | <b>2,403</b>                   | <b>2,448</b>                   | <b>2,520</b>                   | <b>2,598</b>                   | <b>2,678</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>455</b>                    | <b>( 48)</b>                 | <b>659</b>                      | <b>356</b>                      | <b>( 81)</b>                   | <b>( 39)</b>                   | <b>( 51)</b>                   | <b>( 20)</b>                   | <b>4</b>                       | <b>( 39)</b>                   | <b>( 20)</b>                   |

## [8] How we manage our assets that support this activity

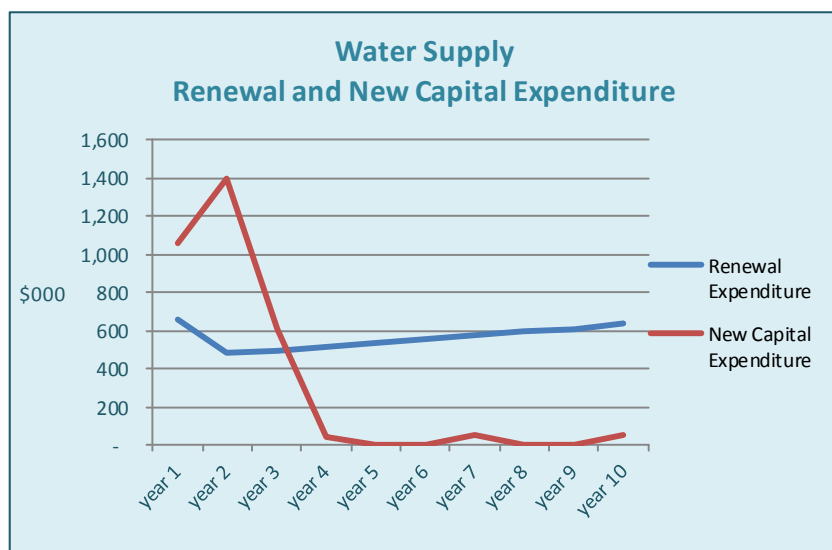
Council has an extensive level of information about its Water and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as network condition and capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Apart from the introduction of filtration, the focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors.

## [9] Significant capital expenditure

### Summary



## Significant Renewal projects

|                  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|------------------|--------|--------|--------|-------------------|-------------------------------|
| General renewals | 638    | 464    | 472    | 3,857             | all years                     |

## Increase in level of service – significant projects

|   | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---|--------|--------|--------|-------------------|-------------------------------|
| Greymouth Pressure Reduction              | 38     | -      | -      | 140               | years 4,7,10                  |
| Greymouth Filtration - Plant upgrade      | 1,017  | -      | -      | -                 |                               |
| Runanga Water Supply - Plant upgrade      | -      | 699    | -      | -                 |                               |
| Dobson/Taylorville - connect to Greymouth | -      | 693    | -      | -                 |                               |
| Stillwater - connect to Greymouth         | -      | -      | 605    | -                 |                               |

## Additional capacity

The Activity Management Plan shows no significant increase in demand based on population growth projections.

With respect to subdivision development, requirements are in place to recover the costs of any required increase in capacity.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP.

Assumptions re Sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset. Other sources of funding include:
  - Rates
  - Financial contributions
  - Special Reserve funds
  - User fees

**[11] Potential negative effects of this activity (significant)**

Council's water take remains well within its allocation and is not considered harmful to the water sources. Council also continues to promote the responsible use of water.

Obviously projects associated with the maintenance and renewal of Council's reticulation system require land disturbance but this is managed with a view to reducing any negative impact as far as possible.

# [5] Solid waste (refuse and recycling)

## [1] Activities included in this group

Waste management involves:

- Refuse collection
- Recovery of recyclable materials
- Management of Landfill and Clean fill- Resource Recovery Centres
- Management of minor quantities of hazardous waste
- Litter Bin management
- Waste minimisation
- Environmental monitoring, also of closed refuse facilities .

Litter control is a Regulatory function and is covered under a separate Activity Management Plan.

## [2] Why we are involved in this activity/these activities

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

## [3] Contribution to Council’s Vision

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | Good waste management contributes to creating an environment conducive to growth of the economy.                                |
| Affordable, quality services | Waste management is an important essential service which determines health, amenity, enjoyment of property and quality of life. |
| Personal and property safety | Good waste management is an important requirement for a healthy community.  |

| OUTCOME                                   | CONTRIBUTION   |
|---|--|
| Sustainable management of the environment | Uncontained refuse can have detrimental impacts on the environment. Similarly, there is an important requirement on efficient and responsible landfill management as a means of reducing the impact on the environment |

## [4] What we’ll provide

The Solid Waste infrastructure includes:

- McLeans landfill, providing for:
  - Waste disposal in cells with the current cell expected to have to be closed in 2022 (assuming predicted levels of reducing volumes through recycling are reached).
  - Buildings and associated infrastructure for waste recovery and refuse recycling.
- Moana Resource and Recovery centre, providing for limited capacity waste transfer facilities with waste from time to time transferred to McLeans landfill.
- Blackball Resource and Recovery Centre providing for limited capacity waste transfer facilities with waste from time to time transferred to McLeans landfill.
- Nelson Creek Resource and Recovery Centre providing for limited capacity waste transfer facilities with waste from time to time transferred to McLeans landfill.

Once the kerbside recycling initiative is introduced, infrastructure will also include function specific wheelie bins and other receptacles.

Council’s services will provide the following:

- Kerbside recycling for the CBD and urban area of greater Greymouth.
- Refuse collection, handling and disposal on a weekly basis throughout other parts of the District.
- Litter bins

Council works with other Councils and industry on the West Coast and beyond for the safe collection, storage and disposal of specific classes of Solid Waste. Council also advocates for

owner responsibility for specific classes of solid waste including but not limited to packaging and hazardous waste

## [5] Key issues facing the activity

Key issues over the next 10 years are anticipated to be:

- Community education on the need for waste minimization.
- Implementation and management of Waste recycling initiatives.

- Providing for the financial impact of the Emissions Trading Scheme on the landfill.
- Managing existing cell at McLeans Landfill in order to extends its useful life
- Waste Management Plan - With respect to waste management; there are no significant variations from this assessment

## [6] Performance measures

| Activity Goal            | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|--------------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                          |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service       | By providing a convenient service  | Minimum % of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy.          | new measure                | 75            | 80                        | 80                         |
|                          | Residents overall satisfaction with the service  | Minimum % satisfied per survey.   | 86                         | 90            | 92                        | 92                         |
| Access to the service    | By providing convenient services that our residents are aware of and understand        | Minimum % of waste collected, is recycled <sup>7</sup>  | 25                         | 35            | 50                        | 50                         |
|                          | Residents are provided with a reliable service   | Minimum % satisfied that waste and recyclables are collected on time, (where services are provided).                                  | 96%                        | 90%           | 90%                       | 90%                        |
|                          | Information is readily available on the schemes  | Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.                  | new measure                | Achieved      | Achieved                  | Achieved                   |
| Financial sustainability | Facilities and services are maintained with respect for current and future generations | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>8</sup> | 100%                       | 100%          | 100%                      | 100%                       |

<sup>7</sup> Where Council provides a recycling service.

<sup>8</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure



| Activity Goal                | How the goal is to be achieved   | Measurement of achievement                       | Target                     |               |                           |                            |
|------------------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                              |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Environmental sustainability | Solid Waste facilities and services are managed without adversely affecting the receiving environment. | Maximum number of resource consent infringements | Nil                        | Nil           | Nil                       | Nil                        |

## [7] Financial information

### Activity funding

#### These activities are funded by:

##### Targeted Rates

- There is a direct benefit for those properties that can have their waste collected; therefore a targeted rate is struck to cover these costs.

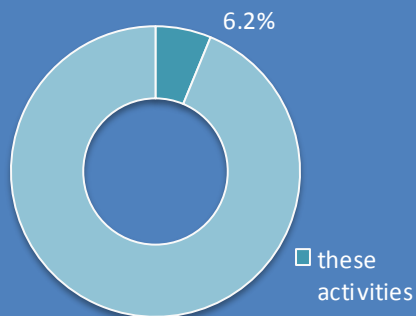
##### User fees

- Excess users of refuse collection pay additional user fees
- Those that use facilities direct cover the relevant costs by way of user fees

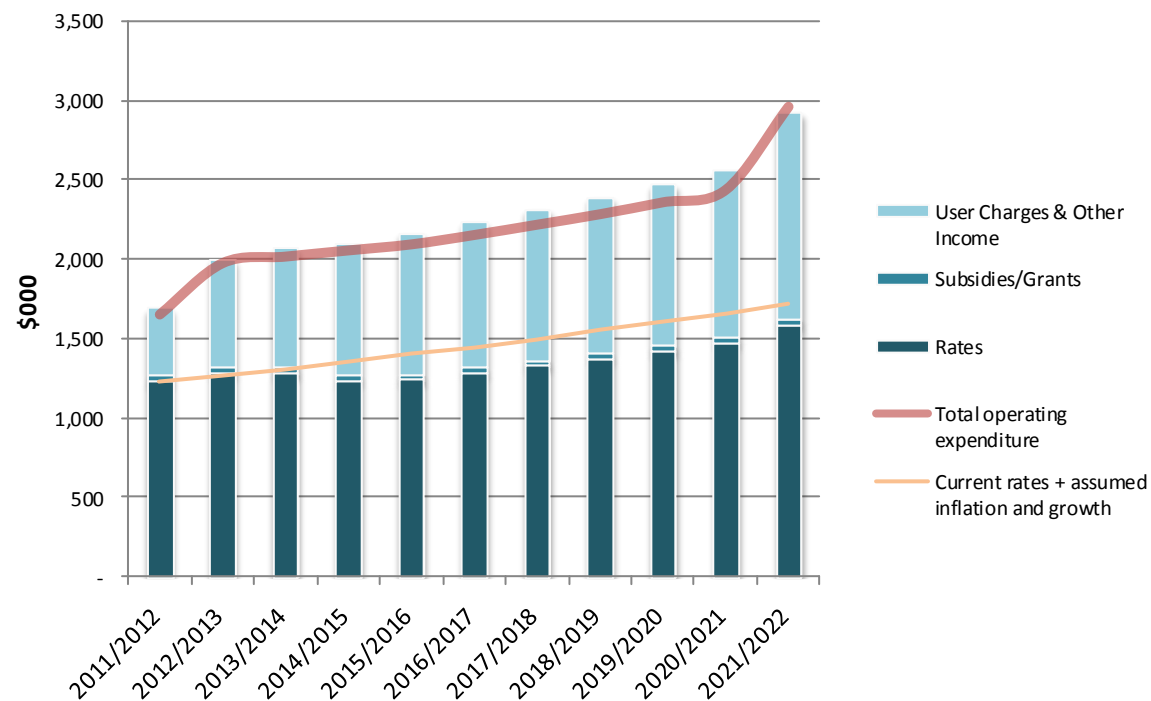
##### General Rates

- There is a district wide benefit to having a compliant facility; therefore other costs are covered by a separate general rate set differentially across the district.

#### Percentage of total Council operating expenditure for 10 year plan



### Solid Waste Management: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 312                           | 177                          | 140                             | 55                              | 18                             | 17                             | 17                             | 16                             | 15                             | 14                             | 79                             |
| Targeted rates (other than a metered rate for water supply)            | 915                           | 1,100                        | 1,139                           | 1,179                           | 1,220                          | 1,263                          | 1,308                          | 1,354                          | 1,402                          | 1,451                          | 1,502                          |
| Subsidies and grants for operating purposes                            | 40                            | 36                           | 36                              | 36                              | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             |
| Fees, charges, and metered rates for water supply                      | 386                           | 653                          | 720                             | 788                             | 857                            | 887                            | 918                            | 951                            | 985                            | 1,021                          | 1,273                          |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 40                            | 36                           | 36                              | 36                              | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             |
| <b>Total operating funding [A]</b>                                     | <b>1,693</b>                  | <b>2,002</b>                 | <b>2,071</b>                    | <b>2,094</b>                    | <b>2,167</b>                   | <b>2,239</b>                   | <b>2,315</b>                   | <b>2,393</b>                   | <b>2,474</b>                   | <b>2,558</b>                   | <b>2,926</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 1,286                         | 1,699                        | 1,739                           | 1,778                           | 1,818                          | 1,878                          | 1,944                          | 2,009                          | 2,079                          | 2,151                          | 2,226                          |
| Finance costs  | 101                           | 69                           | 64                              | 58                              | 51                             | 44                             | 36                             | 31                             | 30                             | 29                             | 315                            |
| Internal charges and overheads applied                                 | 64                            | 96                           | 100                             | 104                             | 107                            | 111                            | 115                            | 119                            | 123                            | 127                            | 131                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>1,451</b>                  | <b>1,864</b>                 | <b>1,903</b>                    | <b>1,940</b>                    | <b>1,976</b>                   | <b>2,033</b>                   | <b>2,095</b>                   | <b>2,159</b>                   | <b>2,232</b>                   | <b>2,307</b>                   | <b>2,672</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>242</b>                    | <b>138</b>                   | <b>168</b>                      | <b>154</b>                      | <b>191</b>                     | <b>206</b>                     | <b>220</b>                     | <b>234</b>                     | <b>242</b>                     | <b>251</b>                     | <b>254</b>                     |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | (108)                         | (79)                         | (85)                            | (91)                            | (98)                           | (105)                          | (112)                          | (12)                           | (13)                           | (14)                           | 3,975                          |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>(108)</b>                  | <b>(79)</b>                  | <b>(85)</b>                     | <b>(91)</b>                     | <b>(98)</b>                    | <b>(105)</b>                   | <b>(112)</b>                   | <b>(12)</b>                    | <b>(13)</b>                    | <b>(14)</b>                    | <b>3,975</b>                   |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 29                            | 30                           | 31                              | 32                              | 33                             | 34                             | 35                             | 36                             | 37                             | 38                             | 4,860                          |
| —to replace existing assets  | 22                            | 17                           | 39                              | 18                              | 18                             | 19                             | 19                             | 20                             | 46                             | 21                             | 22                             |
| Increase (decrease) in reserves  | 83                            | 12                           | 13                              | 13                              | 42                             | 48                             | 54                             | 166                            | 146                            | 178                            | (653)                          |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>134</b>                    | <b>59</b>                    | <b>83</b>                       | <b>63</b>                       | <b>93</b>                      | <b>101</b>                     | <b>108</b>                     | <b>222</b>                     | <b>229</b>                     | <b>237</b>                     | <b>4,229</b>                   |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>(242)</b>                  | <b>(138)</b>                 | <b>(168)</b>                    | <b>(154)</b>                    | <b>(191)</b>                   | <b>(206)</b>                   | <b>(220)</b>                   | <b>(234)</b>                   | <b>(242)</b>                   | <b>(251)</b>                   | <b>(254)</b>                   |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| General Rates - set on land value                                  | 312                           | 177                          | 140                             | 55                              | 18                             | 17                             | 17                             | 16                             | 15                             | 14                             | 79                             |
| Targeted rates (including targeted rates for water supply)         | 915                           | 1,100                        | 1,139                           | 1,179                           | 1,220                          | 1,263                          | 1,308                          | 1,354                          | 1,402                          | 1,451                          | 1,502                          |
| Subsidies and grants (operating and capital)                       | 40                            | 36                           | 36                              | 36                              | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             | 36                             |
| User charges and regulatory income (consent fees, infringements et | 426                           | 689                          | 756                             | 824                             | 893                            | 923                            | 954                            | 987                            | 1,021                          | 1,057                          | 1,309                          |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total income</b>  | <b>1,693</b>                  | <b>2,002</b>                 | <b>2,071</b>                    | <b>2,094</b>                    | <b>2,167</b>                   | <b>2,239</b>                   | <b>2,315</b>                   | <b>2,393</b>                   | <b>2,474</b>                   | <b>2,558</b>                   | <b>2,926</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 1,286                         | 1,699                        | 1,739                           | 1,778                           | 1,818                          | 1,878                          | 1,944                          | 2,009                          | 2,079                          | 2,151                          | 2,226                          |
| Finance costs  | 101                           | 69                           | 64                              | 58                              | 51                             | 44                             | 36                             | 31                             | 30                             | 29                             | 315                            |
| Internal charges and overheads applied                             | 64                            | 96                           | 100                             | 104                             | 107                            | 111                            | 115                            | 119                            | 123                            | 127                            | 131                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 200                           | 111                          | 113                             | 115                             | 117                            | 119                            | 122                            | 124                            | 126                            | 129                            | 288                            |
| <b>Total expenditure</b>   | <b>1,651</b>                  | <b>1,975</b>                 | <b>2,016</b>                    | <b>2,055</b>                    | <b>2,093</b>                   | <b>2,152</b>                   | <b>2,217</b>                   | <b>2,283</b>                   | <b>2,358</b>                   | <b>2,436</b>                   | <b>2,960</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>42</b>                     | <b>27</b>                    | <b>55</b>                       | <b>39</b>                       | <b>74</b>                      | <b>87</b>                      | <b>98</b>                      | <b>110</b>                     | <b>116</b>                     | <b>122</b>                     | <b>( 34)</b>                   |

## [8] How we manage our assets that support this activity

Council has an extensive level of information about its Solid Waste and associated assets in the Activity Management Plan (AMP). The AMP also contains detailed service level information such as landfill and capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

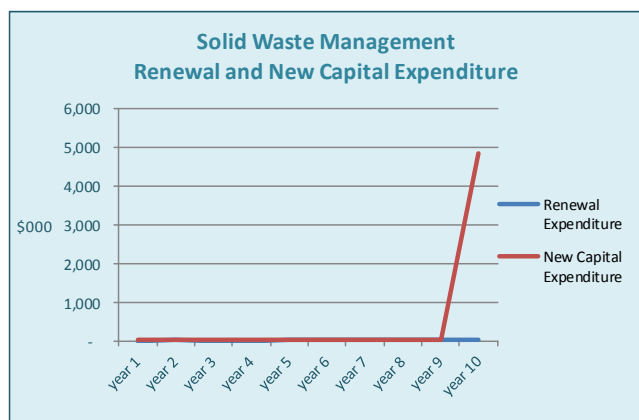
Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

Apart from the introduction of recycling, the focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors.

It is anticipated that recovery of recyclable materials will significantly increase and there will be a corresponding reduction in the amount of general (non-recyclable) refuse that will be required to be collected and deposited at McLean’s Landfill.

## [9] Significant capital expenditure

### Summary



## Significant Renewal projects

|                  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|------------------|--------|--------|--------|-------------------|-------------------------------|
| General renewals | 21     | 43     | 23     | 205               | all years                     |

## Increase in level of service – significant projects

|   | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---|--------|--------|--------|-------------------|-------------------------------|
| New cell (3) at McLeans Landfill            | -      | -      | -      | 4,821             | year 10                       |
| Old Cobden landfill - reinstatement of area | 25     | 26     | 27     | 213               | all years                     |

## Additional capacity

The Activity Management Plan shows no significant increase in demand based on population growth projections. We do expect a significant decrease in the volume of waste going into the landfill once recycling is in full swing and that this will prolong the life of the existing and future cells.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives as provided for in the AMP. The life of cells at McLeans landfill may well increase as waste minimization initiatives and recycling takes hold.

Assumptions re Sources of funding for replacement of assets are:

- Project costs will primarily be funded through loans funded over the expected life of the asset. Other sources of funding include:
  - Rates
  - Financial contributions
  - Special Reserve funds
  - User fees

## [11] Potential negative effects of this activity (significant)

This may include:

- The impact of the cost of recycling and ETS costs on landfill fees may result in an increase in illegal refuse dumping.
- Discharge of contaminants to land and/or water from the landfill or the closed refuse tips. Competent measures to mitigate this are in place.

# [6] Emergency management

## [1] Activities included in this group

Emergency management includes:

- Civil Defence and Emergency Management, including:
  - Developing, implementing and monitoring District-wide emergency management plans
  - Promoting community preparedness for emergencies.
  - Working with other authorities, both locally and in the Region to plan for and respond to hazards, risks and emergencies.
  - Mobilising and responding in the event of an emergency
- Rural Fires:-management of and participation in the West Coast Rural Fire Authority(WCRFA) and controlling permitted fires.

## [2] Why we are involved in this activity/these activities

It is most important to make sure that our District is prepared for emergencies. The District is not only in a high rainfall area and, therefore subject to flooding, but inundation, cyclones and tornados have in the past caused problems. Most importantly, the District is a high risk earthquake area.

Council subscribes to the principles of “reduce, readiness, response, recovery”.

## [3] Contribution to Council’s Vision

| OUTCOME                      | CONTRIBUTION   |
|------------------------------|--|
| Growing the local economy    | Having in place competent services to cope with emergencies builds confidence which is an important requirement for economic growth and stability. |
| Personal and property safety | The ability to be prepared for and then to competently deal with emergencies are important for public safety.                                      |

## [4] What we’ll provide

### Civil Defence

Council will:

- Continually educate the community on the need to be prepared for emergencies
- Maintain a Civil Defence operational capacity to mobilize immediately an emergency comes up in order to limit loss of life and to restore services to normality as soon as possible.
- Keep the community informed of the measures that will become operational during such an emergency

### Rural Fires

We will:

- Focus on the prevention of rural fires;
- Responding to rural fire call-outs; and
- Through our membership of the WCRFA, ensure an on-going, competent rural fire response capability.

## [5] Key issues facing the activity

### Civil Defence

- The on-going risk posed by extreme natural events i.e. a major earthquake, flooding, , rock falls, wild fires, land slips and other inundation and cyclones and tornados
- Maintaining community and operational preparedness amidst growing apathy during times of low emergency risk.
- Ensuring that buildings identified for use during emergencies are structurally and otherwise capable of withstanding emergencies.

### Rural Fires

- Maintaining public commitment in the form of volunteer Fire Fighters



## [6] Performance measures

### Civil Defence

| Activity Goal           | How the goal is to be achieved   | Measurement of achievement   | Target                     |               |                           |                            |
|-------------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                         |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service      | By emergency management personnel being aware of their roles and being proficient in the execution of duties   | The number of in-house/national training exercises participated in annually.   | 2                          | 2             | 2                         | 2                          |
|                         |  | A minimum percentage of personnel trained to CIMS 4 standard   | 80%                        | 80%           | 85%                       | 90%                        |
| Coverage of the service | By encouraging greater public awareness and participation from the public to be better prepared for emergency situations.<br>Information is readily available on service | A minimum percentage of schools and pre-school organisations visited annually to deliver the “be better prepared” message. | new measure                | 80%           | 90%                       | 95%                        |
|                         |  | Relevant details and plans are posted on Council’s website   | achieved                   | achieved      | achieved                  | achieved                   |
|                         | Our residents are prepared for an emergency  | % of residents surveyed who feel they are prepared to cope in an emergency   | 81%                        | 80%           | 90%                       | 95%                        |

### Rural Fire

| Activity Goal                        | How the goal is to be achieved   | Measurement of achievement   | Target                     |               |                           |                            |
|--------------------------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                                      |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service                   | By providing an efficient service  | For the Zone management by Council (Zone 4) Council meets National Rural Fire Authority requirements.                | Not Achieved               | Achieved      | Achieved                  | Achieved                   |
| Quality of and Access to the service | By providing an efficient and convenient rural fire service<br>Information is readily available on the service | Maximum time to process and issue new Fire Permits will be 3 working days and renewals, 1 working day.               | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                                      |  | Basic fact information provided on Council’s web site. More detailed information is provided within 10 working days. | Not available on web site. | Achieved      | Achieved                  | Achieved                   |

## [7] Financial information

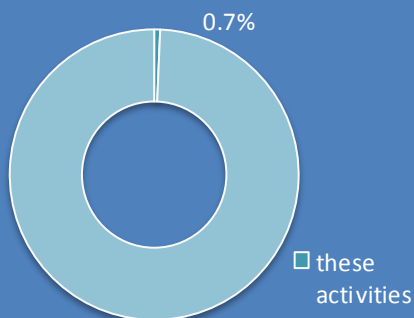
### Activity funding

#### These activities are funded by:

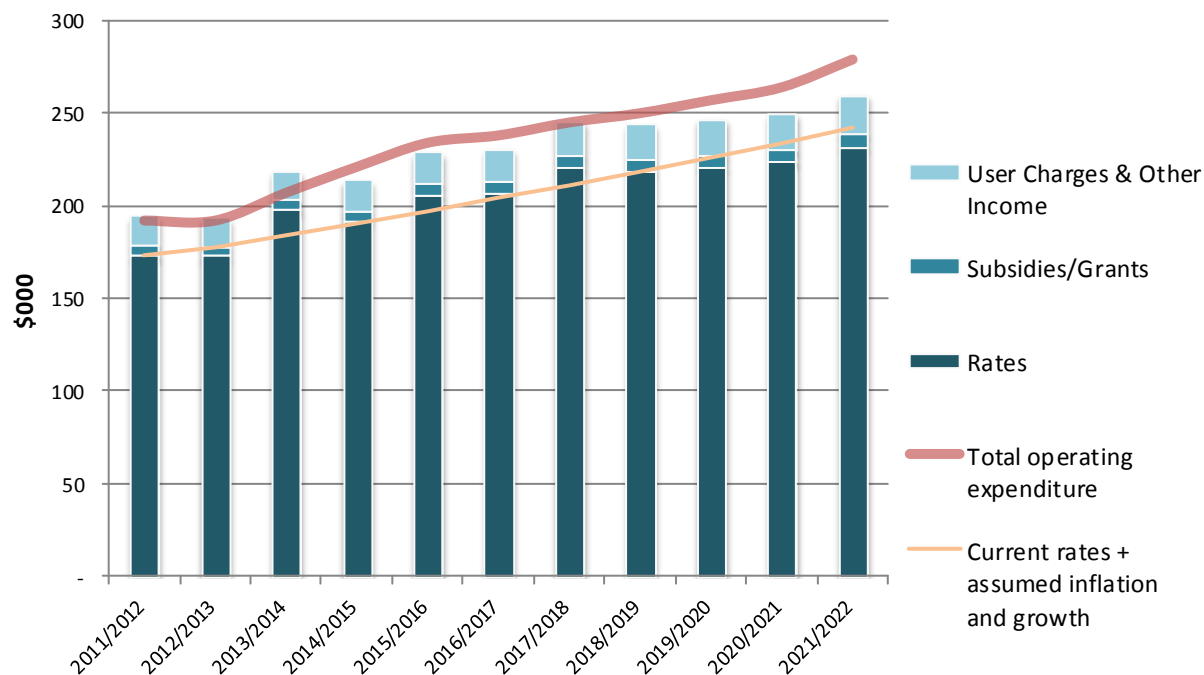
##### General rates

- There is a district wide benefit to having a managed service; therefore other costs are covered by a general rate

#### Percentage of total Council operating expenditure for 10 year plan



### Emergency Management: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 173                           | 173                          | 198                             | 192                             | 206                            | 207                            | 221                            | 219                            | 221                            | 224                            | 232                            |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | 6                             | 5                            | 5                               | 5                               | 6                              | 6                              | 6                              | 6                              | 6                              | 6                              | 7                              |
| Fees, charges, and metered rates for water supply                      | 16                            | 16                           | 16                              | 17                              | 17                             | 18                             | 19                             | 19                             | 20                             | 20                             | 21                             |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total operating funding [A]</b>                                     | <b>195</b>                    | <b>194</b>                   | <b>219</b>                      | <b>214</b>                      | <b>229</b>                     | <b>231</b>                     | <b>246</b>                     | <b>244</b>                     | <b>247</b>                     | <b>250</b>                     | <b>260</b>                     |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 122                           | 117                          | 119                             | 126                             | 133                            | 132                            | 137                            | 140                            | 144                            | 148                            | 162                            |
| Finance costs  | -                             | 3                            | 5                               | 4                               | 5                              | 4                              | 3                              | 2                              | 2                              | 1                              | -                              |
| Internal charges and overheads applied                                 | 62                            | 65                           | 68                              | 71                              | 74                             | 77                             | 79                             | 81                             | 83                             | 86                             | 88                             |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>184</b>                    | <b>185</b>                   | <b>192</b>                      | <b>201</b>                      | <b>212</b>                     | <b>213</b>                     | <b>219</b>                     | <b>223</b>                     | <b>229</b>                     | <b>235</b>                     | <b>250</b>                     |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>11</b>                     | <b>9</b>                     | <b>27</b>                       | <b>13</b>                       | <b>17</b>                      | <b>18</b>                      | <b>27</b>                      | <b>21</b>                      | <b>18</b>                      | <b>15</b>                      | <b>10</b>                      |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 18                            | 16                           | 26                              | (8)                             | 11                             | (12)                           | (13)                           | (14)                           | (11)                           | (8)                            | (3)                            |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>18</b>                     | <b>16</b>                    | <b>26</b>                       | <b>(8)</b>                      | <b>11</b>                      | <b>(12)</b>                    | <b>(13)</b>                    | <b>(14)</b>                    | <b>(11)</b>                    | <b>(8)</b>                     | <b>(3)</b>                     |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 24                            | 22                           | 50                              | 2                               | 24                             | 2                              | 10                             | 3                              | 3                              | 3                              | 3                              |
| —to replace existing assets  | 3                             | 3                            | 3                               | 3                               | 4                              | 4                              | 4                              | 4                              | 4                              | 4                              | 4                              |
| Increase (decrease) in reserves  | 2                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>29</b>                     | <b>25</b>                    | <b>53</b>                       | <b>5</b>                        | <b>28</b>                      | <b>6</b>                       | <b>14</b>                      | <b>7</b>                       | <b>7</b>                       | <b>7</b>                       | <b>7</b>                       |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>(11)</b>                   | <b>(9)</b>                   | <b>(27)</b>                     | <b>(13)</b>                     | <b>(17)</b>                    | <b>(18)</b>                    | <b>(27)</b>                    | <b>(21)</b>                    | <b>(18)</b>                    | <b>(15)</b>                    | <b>(10)</b>                    |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | 98                            | 100                          | 104                             | 108                             | 112                            | 116                            | 119                            | 122                            | 125                            | 129                            | 132                            |
| General Rates - set on land value                                  | 75                            | 73                           | 94                              | 84                              | 94                             | 91                             | 102                            | 97                             | 96                             | 95                             | 100                            |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | 6                             | 5                            | 5                               | 5                               | 6                              | 6                              | 6                              | 6                              | 6                              | 6                              | 7                              |
| User charges and regulatory income (consent fees, infringements et | 16                            | 16                           | 16                              | 17                              | 17                             | 18                             | 19                             | 19                             | 20                             | 20                             | 21                             |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total income</b>  | <b>195</b>                    | <b>194</b>                   | <b>219</b>                      | <b>214</b>                      | <b>229</b>                     | <b>231</b>                     | <b>246</b>                     | <b>244</b>                     | <b>247</b>                     | <b>250</b>                     | <b>260</b>                     |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | 44                            | 42                           | 44                              | 45                              | 51                             | 47                             | 49                             | 50                             | 51                             | 53                             | 60                             |
| Operating & maintenance costs                                      | 78                            | 75                           | 75                              | 81                              | 82                             | 85                             | 88                             | 90                             | 93                             | 95                             | 102                            |
| Finance costs  | -                             | 3                            | 5                               | 4                               | 5                              | 4                              | 3                              | 2                              | 2                              | 1                              | -                              |
| Internal charges and overheads applied                             | 62                            | 65                           | 68                              | 71                              | 74                             | 77                             | 79                             | 81                             | 83                             | 86                             | 88                             |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 8                             | 7                            | 15                              | 20                              | 22                             | 25                             | 26                             | 27                             | 28                             | 29                             | 29                             |
| <b>Total expenditure</b>   | <b>192</b>                    | <b>192</b>                   | <b>207</b>                      | <b>221</b>                      | <b>234</b>                     | <b>238</b>                     | <b>245</b>                     | <b>250</b>                     | <b>257</b>                     | <b>264</b>                     | <b>279</b>                     |
| <b>Surplus (deficit) of activities</b>                             | <b>3</b>                      | <b>2</b>                     | <b>12</b>                       | <b>( 7)</b>                     | <b>( 5)</b>                    | <b>( 7)</b>                    | <b>1</b>                       | <b>( 6)</b>                    | <b>( 10)</b>                   | <b>( 14)</b>                   | <b>( 19)</b>                   |

**[8] How we manage our assets that support this activity**

Civil Defence assets relate mostly to communication equipment with the focus being on using existing fixed assets capable of being used during emergencies as well as existing, conventional communication and information systems as far as possible.

Such assets are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from wardens and contractors, as well as resident surveys and enquiries.

The WCRFA and rural fire services are resourced with the required assets and Council through WCRFA contributes to ensuring that these services remain resourced. Council also has a limited number of assets it provides.

**[9] Significant capital expenditure**

no significant capital expenditure involved

**[10] Key assumptions about the useful life of assets and the sources of funding for replacement**

Assumptions re the life of assets include:

- Assets will perform to the required standard for the duration of its useful lives

Assumptions re Sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from:
  - Rates
  - Special Reserve funds
  - Penalties re unpermitted fires.

**[11] Potential negative effects of this activity (significant)**

This may include:

- Emergency equipment such as sirens may create temporary noise effects. Emergency management response and recovery activities may also have temporary adverse effects on the community and environment while social systems are being rebuilt following an emergency event.

# [7] Environmental services

## [1] Activities included in this group

Environmental services include:

- Environmental Planning
- Amenity Management
- Environmental Health
- Building Control
- Animal Control

Local Government legislation requires that Council, where possible, maintain a clear division between its operational and regulatory functions. Local authorities, as facilitators of development and growth, also have to comply with statutory requirements and administer legislative powers in a fair and objective manner, and avoid conflicts of interest. It is for this reason that these activities are in the same grouping.

## [2] Why we are involved in this activity/these activities

Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment.

- The environmental planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District’s physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council’s building control services ensures that the District’s buildings and other associated structures (such as swimming pools) are safe, habitable and meet National legislative requirements. Of particular importance is Council’s role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Amenity management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful

application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.

- Environmental health services aims to protect our community from infectious and notifiable diseases by promoting food safety practices in food establishments. This activity also aims to ensure that hairdressing businesses, gaming machines, camping grounds and those selling liquor conform to appropriate standards.
- Dog and Stock control service aims to provide a safer District by reducing dog-related offences through ensuring the registration of dogs, the education of their owners and the investigation of complaints. In addition this service seeks to support safer road and rail corridors by responding to complaints about wandering stock and working with landowners to maintain stock proof fencing.

## [3] Contribution to Council’s Vision

| OUTCOME                                   | CONTRIBUTION  |
|---|---|
| Growing the local economy                 | Sound spatial planning and sensitive, constructive regulation provide for certainty, order and harmony which is most necessary for economic growth and stability. |
| Affordable, quality services              | The group of activities involves service delivery which determines quality of life, enjoyment of property.  |
| Personal and property safety              | The group of activities involves service delivery which contribute strongly to personal and property safety.  |
| Sustainable management of the environment | The emphasis of this group of activities is strongly on sustainability with the focus both on people and the environment  |

## [4] What we'll provide

### Environmental Planning

We will:

- ensure that the District Plan remains relevant to the community; up to date with legislative requirements and that the community is involved in any proposed plan changes.
- provide an objective consent processing system that will process your consent within statutory timelines and ensure anyone affected by a resource consent is provided with an opportunity to submit.
- monitor a range of land use consents and aspects of the District Plan as a means of ensuring compliance and that the Plan remains current.

To deliver this service Council will provide qualified and skilled planning officers, supported by skilled administration staff.

### Amenity Management

Council will:

- ensure that its Bylaws and processes in implementing other legislation such as the Litter Act, remain up to date, fair and deliver what the community want.
- provide an afterhours noise control service to ensure that complaints are followed up without undue delay
- encourage residents to maintain their property in a way that does not cause nuisance to others
- provide an impoundment service for abandoned vehicles

To deliver this service, Council will provide trained compliance officers and appropriate contractors to respond to complaints.

### Building Control Services

We will:

- continue to provide an efficient building consent processing service as well as ensure buildings are designed and constructed in line with national building Code requirements.
- Ensure that public and relevant commercial buildings have appropriate safety systems.

To deliver this service, Council will not only maintain accreditation as a Building Consent Authority but will provide qualified and skilled building officers supported by skilled administration staff.

### Environmental Health Services

We will:

- Ensure that the relevant food, hairdressing, and other similar establishments meet the required hygiene and safety standards by inspecting such premises and ensuring they have appropriate safeguards and procedures in place.
- Monitor camping grounds for cleanliness.

To deliver this service Council will provide qualified environmental health officers and contractors to undertake inspections and respond to complaints

### Animal Control

We will:

- Ensure that all dogs in the District are registered and therefore traceable
- Provide a 24 hour response service for reports of dangerous or roaming dogs or stock.
- Maintain a pound to hold dogs and stock

To deliver this service Council will provide qualified animal control officers as well as a dog and stock pound

## [5] Key issues facing the activity

New legislation and central government policies continually shape many of these functions and activities within the Environmental Services group, which will require changes to policies, the District Plan and Bylaws. However, the most significant issues facing this activity in the long term are likely to arise from the following:

- Earthquake strengthening of commercial and public buildings throughout the District as a result of existing and new legislation arising from the Canterbury earthquakes.
- Resource Management Act changes are likely to require further changes to the District Plan and how it works with other plans such as the Regional Council plans.
- Amenity management issues affecting the day-to-day lives of the District's residents and making the District a better place to live and work.
- The retention and recruitment of technical staff for specialist planning, building, and compliance roles.

**[6] Performance measures**

| Activity Goal  | How the goal is to be achieved  | Measurement of achievement  | Target  |               |                           |                            |
|--|---|---|---|---------------|---------------------------|----------------------------|
|  |   |   | Current Performance (2012)  | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service   | We will efficiently process information requests and consent applications within statutory time limits              | % of Land Information Memoranda (LIMs) issued within 10 working days of application   | 100%  | 100%          | 100%                      | 100%                       |
|  |   | % of non-notified land use consents processed within 20 working days  | 100%  | 100%          | 100%                      | 100%                       |
|  |   | % Building consents and Code of Compliance Certificates issued with statutory time limits   | 100%  | 100%          | 100%                      | 100%                       |
|  |   | % of building inspection undertaken at agreed times   | 95%   | 95%           | 95%                       | 95%                        |
|  | We will ensure that buildings within the District are safe and meet national quality standards                      | % of owners of earthquake prone buildings in the District aware of their obligations to strengthen their buildings to the required standard | 100%  | 100%          | 100%                      | 100%                       |
|  |   | Maintain accreditation as a building consent authority  | Yes   | Yes           | Yes                       | Yes                        |
|  | We will provide for a safer District by promoting responsible dog ownership and monitoring food and liquor premises | % of known dogs registered by August each year  | 95%   | 95%           | 95%                       | 95%                        |
|  |   | % food premises inspected each year   | 100%  | 100%          | 100%                      | 100%                       |
|  |   | % of premises requesting new and renewed liquor licences that are inspected.  | 100%  | 100%          | 100%                      | 100%                       |
|  | Availability of the service   | We will respond to service requests in a timely manner  | % after hours noise and animal control complaints responded to within 2 hours | 95%           | 95%                       | 95%                        |
| % complaints about breaches of bylaws and District Plan rules responded to within 5 working days |   |   | 95%   | 95%           | 95%                       | 95%                        |
| Financial sustainability   | We will recover actual and reasonable costs for consent applications  | % recovery of actual and reasonable costs   | 80%   | 80%           | 80%                       | 80%                        |



| Activity Goal                | How the goal is to be achieved   | Measurement of achievement  | Target                     |                     |                           |                            |
|------------------------------|--|---|----------------------------|---------------------|---------------------------|----------------------------|
|                              |  |   | Current Performance (2012) | Year 1 (2013)       | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
|                              | We will recover reasonable and actual costs for enforcement related activities                               | % recovery of actual and reasonable costs   | 80%                        | 80%                 | 80%                       | 80%                        |
| Environmental sustainability | We will ensure that the District Plan remains effective in delivering sustainable development                | % of land use consents issued since 2005 are monitored for compliance with conditions                           | 10%                        | 20%                 | 23%                       | 25%                        |
|                              |  | Review and update District Plan in line with agreed programme   | Scoped programme           | Programme developed | In line with programme    | In line with programme     |
|                              |  | % of residents satisfied with their environment   | 90%                        | 90%                 | 90%                       | 90%                        |
| Cultural sustainability      | We will consult <i>Iwi</i> on all new policies, bylaws, District Plan changes and notified resource consents | % of new policies, bylaws, DP changes and notified resource consents that have involved <i>Iwi</i> consultation | 100%                       | 100%                | 100%                      | 100%                       |

## [7] Financial information

### Activity funding

#### These activities are funded by:

##### User fees

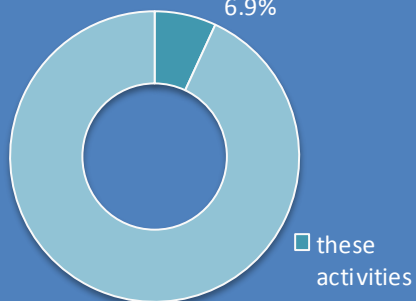
- The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees.
- Enforcement is recovered by those creating the demand wherever practical

##### General rates

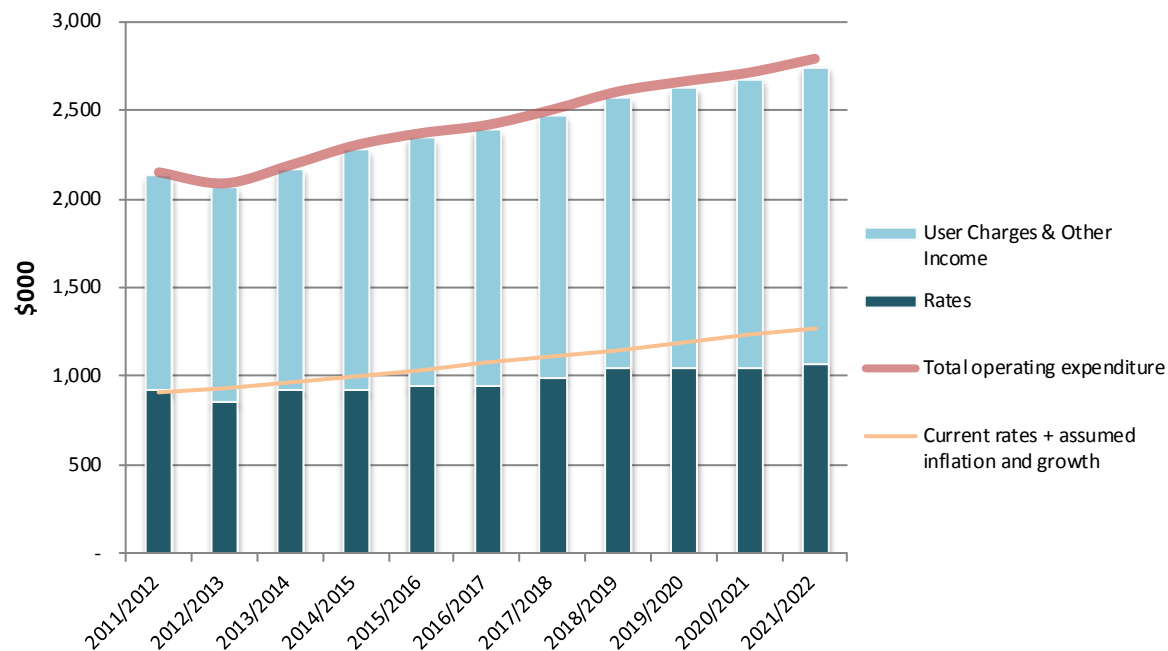
- Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
- Having an available service (e.g. for enforcement, animal control) has a general benefit to all so the balance of activity costs are funded from general rates

#### Percentage of total Council operating expenditure for 10 year plan

6.9%



#### Environmental Services: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 909                           | 848                          | 911                             | 914                             | 935                            | 937                            | 976                            | 1,029                          | 1,035                          | 1,039                          | 1,054                          |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | 1,132                         | 1,129                        | 1,164                           | 1,268                           | 1,309                          | 1,348                          | 1,391                          | 1,433                          | 1,479                          | 1,525                          | 1,573                          |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 40                            | 41                           | 42                              | 44                              | 45                             | 47                             | 48                             | 50                             | 51                             | 53                             | 54                             |
| <b>Total operating funding [A]</b>                                     | <b>2,081</b>                  | <b>2,018</b>                 | <b>2,117</b>                    | <b>2,226</b>                    | <b>2,289</b>                   | <b>2,332</b>                   | <b>2,415</b>                   | <b>2,512</b>                   | <b>2,565</b>                   | <b>2,617</b>                   | <b>2,681</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 493                           | 411                          | 431                             | 499                             | 487                            | 481                            | 496                            | 555                            | 542                            | 535                            | 544                            |
| Finance costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Internal charges and overheads applied                                 | 1,610                         | 1,641                        | 1,722                           | 1,765                           | 1,843                          | 1,891                          | 1,962                          | 2,003                          | 2,071                          | 2,123                          | 2,191                          |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>2,103</b>                  | <b>2,052</b>                 | <b>2,153</b>                    | <b>2,264</b>                    | <b>2,330</b>                   | <b>2,372</b>                   | <b>2,458</b>                   | <b>2,558</b>                   | <b>2,613</b>                   | <b>2,658</b>                   | <b>2,735</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>( 22)</b>                  | <b>( 34)</b>                 | <b>( 36)</b>                    | <b>( 38)</b>                    | <b>( 41)</b>                   | <b>( 40)</b>                   | <b>( 43)</b>                   | <b>( 46)</b>                   | <b>( 48)</b>                   | <b>( 41)</b>                   | <b>( 54)</b>                   |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | 42                            | 43                           | 44                              | 46                              | 47                             | 49                             | 51                             | 53                             | 54                             | 56                             | 58                             |
| Increase (decrease) in debt  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>42</b>                     | <b>43</b>                    | <b>44</b>                       | <b>46</b>                       | <b>47</b>                      | <b>49</b>                      | <b>51</b>                      | <b>53</b>                      | <b>54</b>                      | <b>56</b>                      | <b>58</b>                      |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 137                           | 8                            | 8                               | 8                               | 8                              | 9                              | 9                              | 9                              | 10                             | 10                             | 7                              |
| —to replace existing assets  | -                             | 143                          | -                               | -                               | -                              | 155                            | -                              | -                              | -                              | 174                            | -                              |
| Increase (decrease) in reserves  | ( 117)                        | ( 142)                       | -                               | -                               | ( 2)                           | ( 155)                         | ( 1)                           | ( 2)                           | ( 4)                           | ( 169)                         | ( 3)                           |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>20</b>                     | <b>9</b>                     | <b>8</b>                        | <b>8</b>                        | <b>6</b>                       | <b>9</b>                       | <b>8</b>                       | <b>7</b>                       | <b>6</b>                       | <b>15</b>                      | <b>4</b>                       |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>22</b>                     | <b>34</b>                    | <b>36</b>                       | <b>38</b>                       | <b>41</b>                      | <b>40</b>                      | <b>43</b>                      | <b>46</b>                      | <b>48</b>                      | <b>41</b>                      | <b>54</b>                      |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

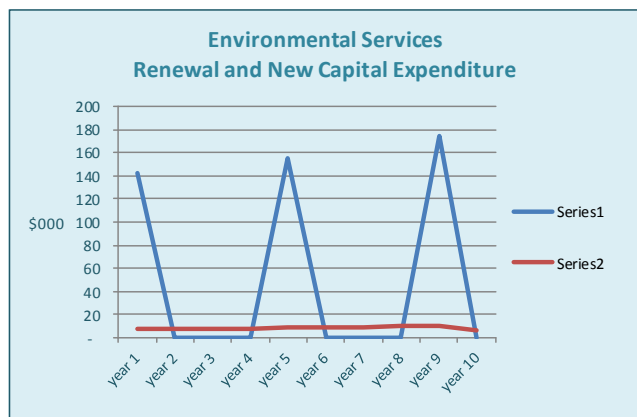
|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | 68                            | 70                           | 73                              | 74                              | 77                             | 78                             | 81                             | 82                             | 84                             | 86                             | 88                             |
| General Rates - set on land value                                  | 841                           | 778                          | 838                             | 840                             | 858                            | 859                            | 895                            | 947                            | 951                            | 953                            | 966                            |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | 1,214                         | 1,213                        | 1,250                           | 1,358                           | 1,401                          | 1,444                          | 1,490                          | 1,536                          | 1,584                          | 1,634                          | 1,685                          |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total income</b>  | <b>2,123</b>                  | <b>2,061</b>                 | <b>2,161</b>                    | <b>2,272</b>                    | <b>2,336</b>                   | <b>2,381</b>                   | <b>2,466</b>                   | <b>2,565</b>                   | <b>2,619</b>                   | <b>2,673</b>                   | <b>2,739</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | 1                             | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| Operating & maintenance costs                                      | 492                           | 410                          | 430                             | 498                             | 486                            | 480                            | 495                            | 554                            | 541                            | 534                            | 543                            |
| Finance costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Internal charges and overheads applied                             | 1,610                         | 1,641                        | 1,722                           | 1,765                           | 1,843                          | 1,891                          | 1,962                          | 2,003                          | 2,071                          | 2,123                          | 2,191                          |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 48                            | 37                           | 38                              | 40                              | 42                             | 46                             | 47                             | 49                             | 51                             | 56                             | 57                             |
| <b>Total expenditure</b>   | <b>2,151</b>                  | <b>2,089</b>                 | <b>2,191</b>                    | <b>2,304</b>                    | <b>2,372</b>                   | <b>2,418</b>                   | <b>2,505</b>                   | <b>2,607</b>                   | <b>2,664</b>                   | <b>2,714</b>                   | <b>2,792</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>( 28)</b>                  | <b>( 28)</b>                 | <b>( 30)</b>                    | <b>( 32)</b>                    | <b>( 36)</b>                   | <b>( 37)</b>                   | <b>( 39)</b>                   | <b>( 42)</b>                   | <b>( 45)</b>                   | <b>( 41)</b>                   | <b>( 53)</b>                   |

**[8] How we manage our assets that support this activity**

Being regulatory in nature, this activity has few capital assets and only those that support the delivery of the regulatory functions described above.

**[9] Significant capital expenditure**

**Summary**



**Significant Renewal projects**

|                                     | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|-------------------------------------|--------|--------|--------|-------------------|-------------------------------|
| replacement of operational vehicles | 143    | -      | -      | 322               | years 5,9                     |

**Increase in level of service – significant projects**

Nil

**Additional capacity**

None specifically provided for in plan.

**[10] Key assumptions about the useful life of assets and the sources of funding for replacement**

Nil

**[11] Potential negative effects of this activity (significant)**

The dog pound and play areas may from time to time be a source of irritation in the form of noise as a result of barking and destruction of animals. After hour response to dog and stock complaints may also involve minor negative impacts.

# [8] Other transport

## [1] Activities included in this group

Other transport include:

- Greymouth Airport which includes:
  - the airport including the runway, taxi area, grass runway for use by micro light aircraft as well as navigation lights,
  - the Greymouth Aero Club as service provider to incoming and departing aircraft
  - management of the land portfolio in the form of land leases and rights to occupy.
- Parking, which involves:
  - the provision of parking
  - regulating the use of parking
- Port of Greymouth which involves:
  - managing the port, the breakwaters, wharves and the slipway
  - managing the navigation safety function.
  - managing the land holding portfolio.

## [2] Why we are involved in this activity/these activities

Council provides these services as part of a much wider array of services aimed at improving the health, safety, enjoyment and connectedness of our community. Each component contributes as follows:

- The Airport not only provides the opportunity for use by smaller commercial and private aircraft but also provides a convenient transport option for Grey Base Hospital for the transfer of patients and staff as well for emergency air rescue services. In addition it is an important training venue for related activities and defensive driver training .
- The Airport is an important strategic asset.
- The Parking function is an integral component of a vibrant and growing CBD and important access to other key services in the District . It provides for safety and convenient access to commercial, educational and service industries and venues.

- Port of Greymouth is an important fishing asset as it is located closest to the lucrative Hokitika Trench fishing grounds. It provides safe berthage to a local and, from time to time visiting fishing fleet as well. It is home to the fish handling and processing activities of 2 firms.

## [3] Contribution to Council's Vision

| OUTCOME                   | CONTRIBUTION  |
|---------------------------|---|
| Growing the local economy | The three components of the group of activities contribute strongly to the local economy. |

## [4] What we'll provide

### Greymouth Airport

We will:

- Manage and maintain all aspects of the Airport so they are safe and convenient to use
- Manage the airport land portfolio responsibly and to maximize fair income for the activity
- Maintain Lifelines functions

### Parking

We will:

- Manage and maintain safe and convenient parking in line with public requirements, special needs and available budgets
- Pro-actively identify needs for new parking and respond to it.
- Through education and regulation ensure that available parking can be used productively

## Port of Greymouth

We will:

- provide safe access and egress to the port in line with Council's Navigation Safety responsibilities..
- Provide services to port users on a minimalistic basis
- Continue with efforts to increase usage of the port.

- The number of inactive fishing vessels in port is growing. These vessels represent a fire and pollution risk and may sink in berth. Measures to address this risk will have to be implemented.
- The impact of Council's Earthquake Compliance Policy on the Harbour Board building

## [5] Key issues facing the activity

The following are important:

### Greymouth Airport

- Maintaining and growing usage of the facility
- Promotion of the Airport as a viable air passenger transport option
- Promoting the airport as location for related service industries
- Promoting the Airport as location for recreational air activities

### Parking

- Having sufficient land available to maintain existing parking and increase capacity as needed.
- Continual education of users on the need for considerate parking and adherence to special needs parking

### Greymouth Port

- Sustainability. Since 1996 Council policy is that annual funding shortfalls be made up of port land sales and not rates. The remaining port land holding available for sale cannot sustain this and Council will have to do one or a mix of the following:
  - rate fund annual funding shortfalls
  - borrow as a means of funding the shortfall (which will further increase the unsustainability of the Port)
  - decrease expenditure
- The financial inability to appoint a Harbour Master and Port Manager represent serious risks to the efficient management of the port. The current approach of managing the facility on a minimalistic basis holds potentially significant risks for Council.
- The level of deferred maintenance and the poor condition of wharf and other assets make a revival of a cargo trade unlikely.

## [6] Performance measures

### Airport

| Activity Goal            | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|--------------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                          |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service       | By providing a safe service  | Meet Civil Aviation Authority requirements for the Airport.   | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                          | By providing residents with a service they are happy with                              | Minimum % satisfied that the airport is run efficiently.  | 47                         | 55            | 60                        | 70                         |
|                          | Information on Facilities is readily available on the schemes                          | Basic fact information provided on Council's web site. More detailed information is provided within 10 working days of request.       | new measure                | Achieved      | Achieved                  | Achieved                   |
| Financial sustainability | Facilities and services are maintained with respect for current and future generations | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>9</sup> | 100%                       | 100%          | 100%                      | 100%                       |

### Parking

| Activity Goal      | How the goal is to be achieved                                    | Measurement of achievement  | Target                     |               |                           |                            |
|--------------------|---|---|----------------------------|---------------|---------------------------|----------------------------|
|                    |   |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service | By maintaining safe, convenient and accessible parking in the CBD | Off road car parks are inspected annually for deterioration in surface seal, markings and signage. Information on remedial action will be made publicly available via the monthly meeting agenda. | new measure                | Yes           | Yes                       | Yes                        |
|                    |   | Public satisfied with the availability of public parking  | 73%                        | 75%           | 80%                       | 80%                        |

<sup>9</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure



| Activity Goal         | How the goal is to be achieved | Measurement of achievement   | Target                     |                |                              |                              |
|-----------------------|--------------------------------|--|----------------------------|----------------|------------------------------|------------------------------|
|                       |                                |  | Current Performance (2012) | Year 1 (2013)  | Years 2 – 3 (2014 – 2015)    | Years 4 – 10 (2016 – 2022)   |
| Access to the service | Through forward planning       | Development of and implementation of a parking strategy for the CBD and environs with key stakeholders | Planning                   | Plan Developed | Implementation of plan goals | Implementation of plan goals |

**Port**

| Activity Goal      | How the goal is to be achieved                            | Measurement of achievement                            | Target                     |               |                           |                            |
|--------------------|---|---|----------------------------|---------------|---------------------------|----------------------------|
|                    |   |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service | By providing residents with a service they are happy with | Minimum % satisfied that the port is run efficiently. | 47                         | 55            | 60                        | 70                         |

## [7] Financial information

### Activity funding

#### These activities are mainly funded by:

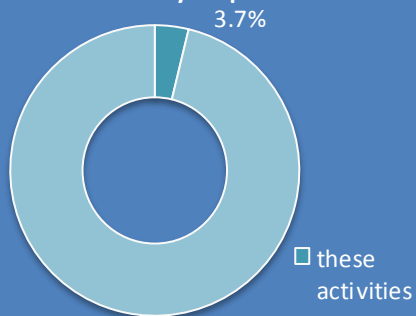
##### User fees

- Regulation/enforcement costs are recovered from parking fines
- Recovery from users of port facilities to be maximized
- Landing fees recovered from actual users at market competitive rates

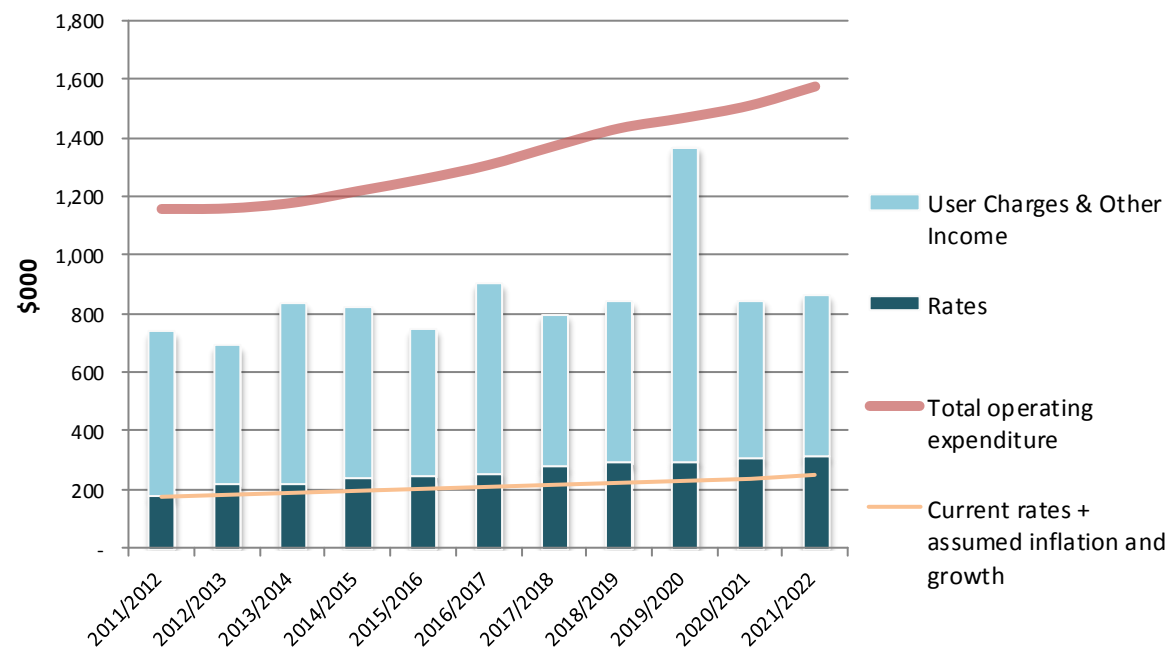
##### General rates

- General benefit available to all by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.
- The aerodrome as an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a district wide benefit.

#### Percentage of total Council operating expenditure for 10 year plan



#### Other Transport: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 176                           | 214                          | 220                             | 239                             | 245                            | 250                            | 277                            | 289                            | 295                            | 307                            | 312                            |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | 378                           | 409                          | 415                             | 418                             | 427                            | 430                            | 440                            | 448                            | 435                            | 451                            | 461                            |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 60                            | 67                           | 69                              | 72                              | 74                             | 77                             | 79                             | 82                             | 85                             | 88                             | 91                             |
| <b>Total operating funding [A]</b>                                     | <b>614</b>                    | <b>690</b>                   | <b>704</b>                      | <b>729</b>                      | <b>746</b>                     | <b>757</b>                     | <b>796</b>                     | <b>819</b>                     | <b>815</b>                     | <b>846</b>                     | <b>864</b>                     |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 438                           | 623                          | 620                             | 638                             | 651                            | 676                            | 707                            | 732                            | 761                            | 773                            | 797                            |
| Finance costs  | 107                           | 36                           | 48                              | 57                              | 76                             | 90                             | 110                            | 137                            | 137                            | 150                            | 184                            |
| Internal charges and overheads applied                                 | 213                           | 224                          | 234                             | 242                             | 251                            | 260                            | 267                            | 276                            | 283                            | 293                            | 300                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>758</b>                    | <b>883</b>                   | <b>902</b>                      | <b>937</b>                      | <b>978</b>                     | <b>1,026</b>                   | <b>1,084</b>                   | <b>1,145</b>                   | <b>1,181</b>                   | <b>1,216</b>                   | <b>1,281</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>(144)</b>                  | <b>(193)</b>                 | <b>(198)</b>                    | <b>(208)</b>                    | <b>(232)</b>                   | <b>(269)</b>                   | <b>(288)</b>                   | <b>(326)</b>                   | <b>(366)</b>                   | <b>(370)</b>                   | <b>(417)</b>                   |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | 300                          | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 187                           | 263                          | 96                              | 160                             | 314                            | 155                            | 362                            | 387                            | (237)                          | 453                            | 498                            |
| Gross proceeds from sale of assets                                     | -                             | -                            | 165                             | 117                             | -                              | 183                            | -                              | 29                             | 693                            | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>187</b>                    | <b>563</b>                   | <b>261</b>                      | <b>277</b>                      | <b>314</b>                     | <b>338</b>                     | <b>362</b>                     | <b>416</b>                     | <b>456</b>                     | <b>453</b>                     | <b>498</b>                     |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 3                             | 311                          | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to replace existing assets  | 371                           | 3                            | 3                               | 3                               | 29                             | 3                              | 3                              | 18                             | 19                             | 4                              | 15                             |
| Increase (decrease) in reserves  | (331)                         | 56                           | 60                              | 66                              | 53                             | 66                             | 71                             | 72                             | 71                             | 79                             | 66                             |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>43</b>                     | <b>370</b>                   | <b>63</b>                       | <b>69</b>                       | <b>82</b>                      | <b>69</b>                      | <b>74</b>                      | <b>90</b>                      | <b>90</b>                      | <b>83</b>                      | <b>81</b>                      |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>144</b>                    | <b>193</b>                   | <b>198</b>                      | <b>208</b>                      | <b>232</b>                     | <b>269</b>                     | <b>288</b>                     | <b>326</b>                     | <b>366</b>                     | <b>370</b>                     | <b>417</b>                     |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | 44                            | 45                           | 47                              | 48                              | 49                             | 51                             | 52                             | 54                             | 56                             | 57                             | 59                             |
| General Rates - set on land value                                  | 132                           | 169                          | 173                             | 191                             | 196                            | 199                            | 225                            | 235                            | 239                            | 250                            | 253                            |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | -                             | 300                          | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | 438                           | 476                          | 484                             | 490                             | 501                            | 507                            | 519                            | 530                            | 520                            | 539                            | 552                            |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | 124                           | -                            | 132                             | 94                              | -                              | 146                            | -                              | 23                             | 554                            | -                              | -                              |
| <b>Total income</b>  | <b>738</b>                    | <b>990</b>                   | <b>836</b>                      | <b>823</b>                      | <b>746</b>                     | <b>903</b>                     | <b>796</b>                     | <b>842</b>                     | <b>1,369</b>                   | <b>846</b>                     | <b>864</b>                     |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | 61                            | 224                          | 231                             | 239                             | 246                            | 253                            | 261                            | 269                            | 277                            | 285                            | 294                            |
| Operating & maintenance costs                                      | 377                           | 399                          | 389                             | 399                             | 405                            | 423                            | 446                            | 463                            | 484                            | 488                            | 503                            |
| Finance costs  | 107                           | 36                           | 48                              | 57                              | 76                             | 90                             | 110                            | 137                            | 137                            | 150                            | 184                            |
| Internal charges and overheads applied                             | 213                           | 224                          | 234                             | 242                             | 251                            | 260                            | 267                            | 276                            | 283                            | 293                            | 300                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 399                           | 276                          | 276                             | 281                             | 281                            | 281                            | 287                            | 287                            | 287                            | 294                            | 294                            |
| <b>Total expenditure</b>   | <b>1,157</b>                  | <b>1,159</b>                 | <b>1,178</b>                    | <b>1,218</b>                    | <b>1,259</b>                   | <b>1,307</b>                   | <b>1,371</b>                   | <b>1,432</b>                   | <b>1,468</b>                   | <b>1,510</b>                   | <b>1,575</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>( 419)</b>                 | <b>( 169)</b>                | <b>( 342)</b>                   | <b>( 395)</b>                   | <b>( 513)</b>                  | <b>( 404)</b>                  | <b>( 575)</b>                  | <b>( 590)</b>                  | <b>( 99)</b>                   | <b>( 664)</b>                  | <b>( 711)</b>                  |

## [8] How we manage our assets that support this activity

Council has an extensive level of information about assets in the Activity Management Plans (AMPs). The AMPs also contain detailed service level information such as capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

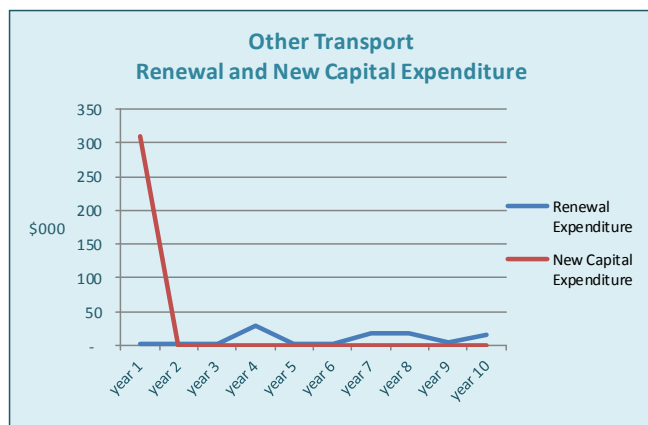
Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. Council also responds to information from customers and contractors, as well as resident surveys and enquiries.

The ability to maintain Port assets is severely constrained by the significant funding deficit of the activity.

Apart from the Port, the focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors. In the case of the Port, the focus will remain on care and availability with associated service delivery on a minimalistic basis.

## [9] Significant capital expenditure

### Summary



### Significant Renewal projects

None signalled

## Increase in level of service – significant projects

|   | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---|--------|--------|--------|-------------------|-------------------------------|
| Viewing platform on Southern Breakwater | 308    | -      | -      | -                 |                               |

## Additional capacity

None specifically provided for in plan, beyond providing for future growth when replacing assets.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard per the Activity Management Plans for the duration of its useful lives

Assumptions re Sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from loans funded over the expected life of the asset. Other sources of funding include:
  - Rates
  - Special Reserve funds
  - User charges.
  - Fines

## [11] Potential negative effects of this activity (significant)

### Greymouth Airport

The major impact is noise associated with aircraft landing and taking off. There is, to a minor degree an issue with fumes

### Parking

Nil

### Greymouth Port

There are noise impacts associated with the loading and unloading of fish/cargo as well as odours associated with fish processing. Maintenance of the breakwaters and training walls can

also involve environmental impact as it involves shifting and placement of rock with the associated involvement of heavy transport and road building equipment. The dilapidated state of the port notably the Goods Sheds has a negative aesthetic impact.

# [9] Property and housing

## [1] Activities included in this group

This includes:

- Retirement Housing which involves:
  - maintaining and managing occupation of 118 units
  - pro-active provision of further retirement housing units
- Property, which involves:
  - a land leasehold portfolio consisting of 54 residential leases, 35 commercial leases,
  - a building portfolio involving 3 leased buildings and the buildings supporting Council’s administrative function (Tainui St and Runanga service centre).
  - unused Council land consisting of various titles across the District.
- management of leases with Mawhera Inc. re land leased by Council.

## [2] Why we are involved in this activity/these activities

Council is proud of its provision of quality pensioner housing. Council is also committed to managing its property portfolio responsibly so as to maximize income for the benefit of all residents.

## [3] Contribution to Council’s Vision

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | Council is committed to releasing Council owned land not needed for future service delivery, for development.   |
| Affordable quality services. | Council sees the provision of convenient, quality retirement housing facilities as an important service to the elderly community.<br>It also recognises its service responsibilities to Lessees of Council owned land and buildings in terms of the applicable leases |
| Personal and Property safety | Retirement Housing offers security, convenience and stability to occupants.   |

## [4] What we’ll provide

### Retirement Housing

We will:

- Continue to provide comfortable and affordable retirement housing
- Maintain a 24 hour 0800 number to be used by tenants in the event of breakages or other urgent need relating to the housing
- Maintain a fair and transparent system of access to retirement housing
- Review the need for further retirement housing on an annual basis.
- Work with other retirement housing providers e.g. Abbeyfield to ensure optimum efficiency.

### Property

We will:

- Manage Council’s property portfolio responsibly and prudently to maximize income and occupation for the benefit of all residents.

## [5] Key issues facing the activity

### Retirement Housing

- Maintaining a viable applicant waiting list

### Property

- Settling on-going lease and rental disputes and provide for a clear and secure process into the future.
- The impact of compliance with Council’s Earthquake Compliance Policy on buildings leased or occupied by Council.
- The unavailability of a freeholding option in relation to Mawhera Inc land occupied by Council and the resultant inability to predict rent increases

## [6] Performance measures

### Property

| Activity Goal            | How the goal is to be achieved   | Measurement of achievement   | Target                     |               |                           |                            |
|--------------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                          |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service       | By providing a safe service  | Meet Building Authority requirements.  | Achieved                   | Achieved      | Achieved                  | Achieved                   |
| Financial sustainability | Facilities and services are maintained with respect for current and future generations | Tenants and occupiers of buildings meet their responsibilities and therefore Council's investment is maximised           | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                          |  | Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) | 80%                        | 80%           | 82%                       | 85%                        |

### Retirement Housing

| Activity Goal               | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|-----------------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                             |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service          | By providing well maintained and comfortable housing.                        | A minimum percentage of occupancy rates achieved  | 95%                        | 95%           | 95%                       | 95%                        |
|                             |  | Retention of the 0800 24 hours contact service for emergency repairs and maintenance, (e.g. Water breaks etc.)  | Achieved                   | Achieved      | Achieved                  | Achieved                   |
| Availability of the housing | By encouraging waiting list applications from a wide sector of the community | Maintaining a waiting list of minimum 25 eligible applicants. By allowing applicants a maximum percentage of property, cash in the bank or investments. | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                             | By providing affordable housing  | Rent levels set annually below market rates   | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                             | Information is readily available on service                                  | Details of service provided on Council's website  | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                             | Being pro-active in the provision of housing units                           | Undertaking an annual review on the need for more housing units   | Achieved                   | Achieved      | Achieved                  | Achieved                   |



## [7] Financial information

### Activity funding

These activities are mainly funded by:

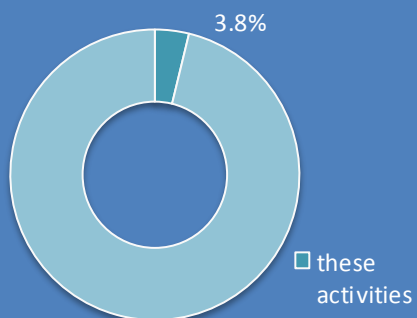
User fees

- Whilst retirement housing is provided at below market rents, there is an expectation the activity will require no direct rates input
- other occupiers of Council property to meet fair market rentals

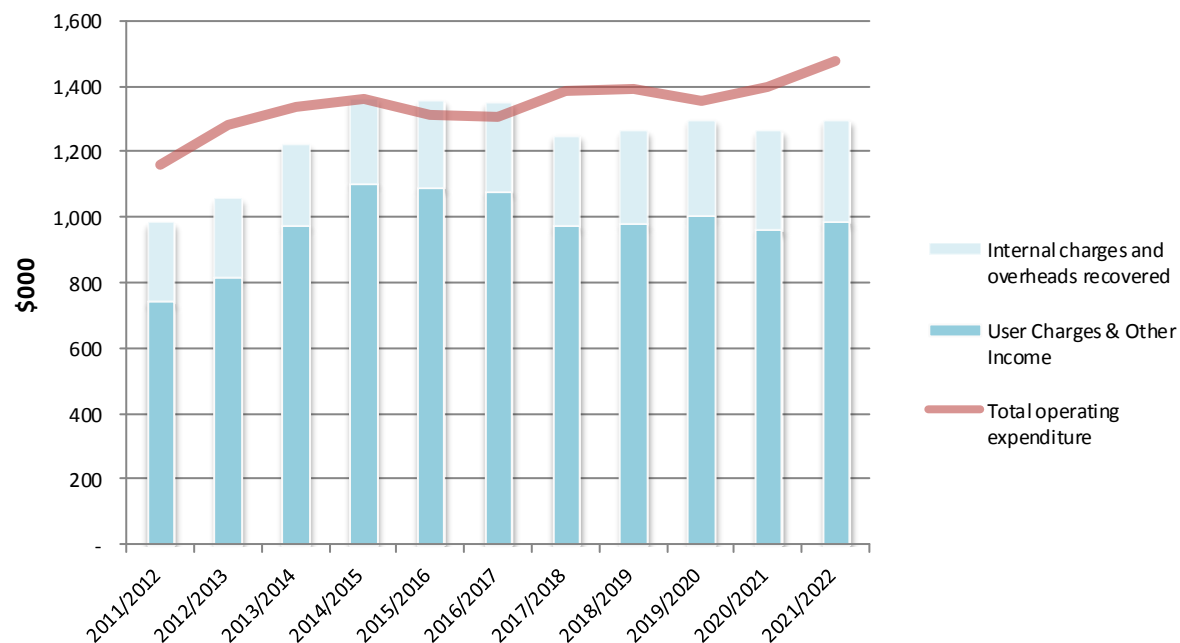
Internal overheads recovered

- The cost of providing property for Council's administration is recovered from the external activities delivered

Percentage of total Council operating expenditure for 10 year plan



### Property and Housing: Sources of income and total expenditure



## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Fees, charges, and metered rates for water supply                      | 664                           | 749                          | 768                             | 791                             | 813                            | 838                            | 864                            | 883                            | 906                            | 929                            | 953                            |
| Internal charges and overheads recovered                               | 246                           | 244                          | 250                             | 258                             | 265                            | 272                            | 280                            | 287                            | 295                            | 304                            | 312                            |
| Local authorities fuel tax, fines, infringement fees, & other receipts | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total operating funding [A]</b>                                     | <b>910</b>                    | <b>993</b>                   | <b>1,018</b>                    | <b>1,049</b>                    | <b>1,078</b>                   | <b>1,110</b>                   | <b>1,144</b>                   | <b>1,170</b>                   | <b>1,201</b>                   | <b>1,233</b>                   | <b>1,265</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 639                           | 677                          | 697                             | 744                             | 750                            | 771                            | 837                            | 840                            | 805                            | 820                            | 897                            |
| Finance costs  | 82                            | 204                          | 218                             | 169                             | 108                            | 69                             | 56                             | 52                             | 48                             | 44                             | 40                             |
| Internal charges and overheads applied                                 | 188                           | 195                          | 202                             | 210                             | 217                            | 225                            | 231                            | 239                            | 245                            | 254                            | 260                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>909</b>                    | <b>1,076</b>                 | <b>1,117</b>                    | <b>1,123</b>                    | <b>1,075</b>                   | <b>1,065</b>                   | <b>1,124</b>                   | <b>1,131</b>                   | <b>1,098</b>                   | <b>1,118</b>                   | <b>1,197</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>1</b>                      | <b>( 83)</b>                 | <b>( 99)</b>                    | <b>( 74)</b>                    | <b>3</b>                       | <b>45</b>                      | <b>20</b>                      | <b>39</b>                      | <b>103</b>                     | <b>115</b>                     | <b>68</b>                      |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 82                            | 950                          | ( 536)                          | ( 936)                          | ( 846)                         | ( 322)                         | ( 59)                          | ( 53)                          | ( 56)                          | ( 60)                          | ( 65)                          |
| Gross proceeds from sale of assets                                     | -                             | 180                          | 680                             | 1,030                           | 880                            | 730                            | 280                            | 230                            | 230                            | 30                             | 30                             |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>82</b>                     | <b>1,130</b>                 | <b>144</b>                      | <b>94</b>                       | <b>34</b>                      | <b>408</b>                     | <b>221</b>                     | <b>177</b>                     | <b>174</b>                     | <b>( 30)</b>                   | <b>( 35)</b>                   |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | 1,000                        | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to replace existing assets  | 137                           | 17                           | 18                              | 19                              | 19                             | 20                             | 20                             | 21                             | 21                             | 22                             | 23                             |
| Increase (decrease) in reserves  | ( 54)                         | 30                           | 27                              | 1                               | 18                             | 433                            | 221                            | 195                            | 256                            | 63                             | 10                             |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>83</b>                     | <b>1,047</b>                 | <b>45</b>                       | <b>20</b>                       | <b>37</b>                      | <b>453</b>                     | <b>241</b>                     | <b>216</b>                     | <b>277</b>                     | <b>85</b>                      | <b>33</b>                      |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>( 1)</b>                   | <b>83</b>                    | <b>99</b>                       | <b>74</b>                       | <b>( 3)</b>                    | <b>( 45)</b>                   | <b>( 20)</b>                   | <b>( 39)</b>                   | <b>( 103)</b>                  | <b>( 115)</b>                  | <b>( 68)</b>                   |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| General Rates - set on land value                                  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| User charges and regulatory income (consent fees, infringements et | 664                           | 749                          | 768                             | 791                             | 813                            | 838                            | 864                            | 883                            | 906                            | 929                            | 953                            |
| Internal charges and overheads recovered                           | 246                           | 244                          | 250                             | 258                             | 265                            | 272                            | 280                            | 287                            | 295                            | 304                            | 312                            |
| Other income   | 76                            | 66                           | 207                             | 314                             | 279                            | 241                            | 108                            | 95                             | 98                             | 32                             | 33                             |
| <b>Total income</b>  | <b>986</b>                    | <b>1,059</b>                 | <b>1,225</b>                    | <b>1,363</b>                    | <b>1,357</b>                   | <b>1,351</b>                   | <b>1,252</b>                   | <b>1,265</b>                   | <b>1,299</b>                   | <b>1,265</b>                   | <b>1,298</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Operating & maintenance costs                                      | 639                           | 677                          | 697                             | 744                             | 750                            | 771                            | 837                            | 840                            | 805                            | 820                            | 897                            |
| Finance costs  | 82                            | 204                          | 218                             | 169                             | 108                            | 69                             | 56                             | 52                             | 48                             | 44                             | 40                             |
| Internal charges and overheads applied                             | 188                           | 195                          | 202                             | 210                             | 217                            | 225                            | 231                            | 239                            | 245                            | 254                            | 260                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 252                           | 208                          | 223                             | 240                             | 240                            | 240                            | 260                            | 260                            | 260                            | 281                            | 281                            |
| <b>Total expenditure</b>   | <b>1,161</b>                  | <b>1,284</b>                 | <b>1,340</b>                    | <b>1,363</b>                    | <b>1,315</b>                   | <b>1,305</b>                   | <b>1,384</b>                   | <b>1,391</b>                   | <b>1,358</b>                   | <b>1,399</b>                   | <b>1,478</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>( 175)</b>                 | <b>( 225)</b>                | <b>( 115)</b>                   | <b>-</b>                        | <b>42</b>                      | <b>46</b>                      | <b>( 132)</b>                  | <b>( 126)</b>                  | <b>( 59)</b>                   | <b>( 134)</b>                  | <b>( 180)</b>                  |

## [8] How we manage our assets that support this activity

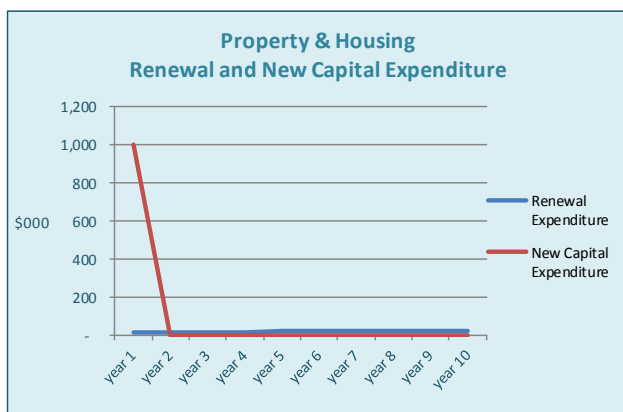
Building assets are managed in accordance with Asset Management Plans, which ensures detailed service level requirements, responses to service requests, and criteria for maintenance, renewals and upgrades.

Building assets are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. In the case of retirement housing, maintenance contracts over 7 years ensure that the exterior of units are maintained well whilst internal maintenance is done on an "as needed" basis.

We also respond to information from tenants and enquiries.

## [9] Significant capital expenditure

### Summary



## Significant Renewal projects

Nil

## Increase in level of service – significant projects

Nil

## Additional capacity

Council is developing a commercial industrial subdivision near the port area (Gresson St).

This is for the purposes of reselling.

|  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|--|--------|--------|--------|-------------------|-------------------------------|
| Gresson St Subdivision - development costs | 1,000  | -      | -      | -                 |                               |

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard per the Activity Management Plans for the duration of its useful lives

Assumptions re Sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from loans funded over the expected life of the asset. Other sources of funding include:
  - Rates
  - Special Reserve funds
  - User charges.

## [11] Negative effects of this activity (significant)

There is the potential that Council land holdings may from time to time become untidy (e.g. grass overgrown). Council is committed to avoid this from happening in built-up areas but cannot provide a similar undertaking in regards to rural properties notably road reserves etc.

# [10] Community facilities and events

## [1] Activities included in this group

Community facilities include:

- Libraries, made up of
  - Greymouth Library (incl. Pioneer Library)
  - Runanga Library
- Swimming Pools, involving
  - Greymouth Aquatic Centre
  - Spring Creek Pool, Runanga.
- Heritage, involving
  - History House
  - Financial support to other Arts, Culture and Heritage bodies
- Indoor sport Centres, including
  - The Miners' Recreation Centre
  - Civic Centre
- Cemeteries, involving
  - Karoro Cemetery
  - Gladstone Cemetery
  - Stillwater Cemetery
  - Barrytown Cemetery
  - Blackball Cemetery
  - Ahaura Cemetery
  - Nelson Creek Cemetery (Ngahere)
  - Moonlight Cemetery (not maintained)
  - Maori Gully
  - Cobden Cemetery
  - Greenstone Cemetery
  - Dungaville Cemetery (not maintained)
  - Notown Cemetery
  - Napoleon's Hill Cemetery (not maintained)
- Parks and Tracks, involving
  - Parks
  - Playgrounds
  - Walking tracks
  - Other open areas accessible to the public.

- Council's In-house task force
- Public restrooms involving 10 public toilets some with other facilities

## [2] Why we are involved in this activity/these activities

It is a requirement for any community to have access to a wide range of services that makes living in that area and visiting that area attractive and enjoyable. It is often described as services and activities that make any community "whole". These services often "define" a community and give the community identity and a sense of belonging.

Services can be in the form of active and passive recreation and enjoyment

## [3] Contribution to Council's Vision

| OUTCOME                      | CONTRIBUTION   |
|------------------------------|--|
| Growing the local economy    | Without these services, a community will have no "core" and will not be sustainable. These services also strongly appeal to visitors.  |
| Affordable quality services. | Given the importance of these services, it must be of good quality, affordable and accessible  |
| Building local identity      | These services fall under the collective heading of "recreation" which is an important part of life in a community. Apart from the social interaction benefits, it does provide a community with an identity and a sense of belonging. |

## [4] What we'll provide

### Libraries

We will:

- Maintain library services at Grey District Library on a five and a half day basis with late night opening on one night per week.
- Continue to provide access to members and visitors to:

- books in hard cover
- electronic books
- internet services
- talking books
- music and other DVDs.
- Continue a service at Runanga Library for as long as the service remains affordable.

## Swimming Pools

We will:

- Continue to provide access to the Greymouth Aquatic Centre and its facilities on a 7 days per week basis throughout the year (with closure on some statutory holidays only and from time for necessary maintenance).
- Continue to provide access to the Spring Creek Pool during summer months on afternoons on a 7 days per week basis (with closure on some statutory holidays only and from time for necessary maintenance).
- Continue to provide current and new programmes.

## Heritage (also Arts and Culture)

We will:

- Maintain History House as a Museum open to the public on a 7 days per week basis through summer and reduced hours during winter for as long as the facility can be sustained.
- Maintain financial and other support for other bodies and institutions active in the field of Arts, Culture and Heritage.

## Indoor Sport Facilities

We will:

- Maintain current services at the Civic Centre at least until the Miners' Recreation Centre is completed. A decision on the future of the Civic Centre will be taken in consultation with the community at that time.
- Develop the Miners' Recreation Centre as part of a Recreational Hub as a high quality facility and will, in the process seek to maximise efficiencies by optimizing cooperation with other sporting bodies that form part of the hub.
- Provide access to the Miners' Recreation Centre on a 7 days per week basis throughout the year (with closure on some statutory holidays only and from time for necessary maintenance).

## Cemeteries

We will:

- Maintain all cemeteries (open and closed) to a standard that respects those buried there. The exception is Moonlight, Dunganville and Napoleon's Hill Cemeteries which are historic cemeteries and do not require the same level of maintenance.
- Provide all associated services professionally

## Parks, Tracks etc

We will:

- In consultation with the community, reduce the number of parks and open spaces maintained to a high standard.
- Maintain remaining parks, tracks and associated facilities to a good standard.

## In House Task Force

We will:

- Continue to give assistance to elderly residents in the upkeep of their properties and property road frontages insofar as the service can cope with demand.
- Continue to provide handyman support services to elderly and others qualifying for assistance.

## Public Restrooms

We will:

- Maintain accessibility to facilities throughout the year
- Maintain the services to a good, functional and hygienic standard.
- Provide a new facility at Blaketown Breakwater and assist in another at the Paroa Pony Club.

## [5] Key issues facing the activity

### Libraries

- The earthquake resilience of the Greymouth and Runanga Library buildings against Council's Earthquake Compliance Policy will determine decisions re corrective action.

- The financial and practical sustainability of the Runanga Library will be reviewed on a year to year basis. No decisions will be taken without full consultation with that community.
- The emergence of eBooks may have a profound impact on library services as we know it. This will be closely monitored.

### Swimming Pools

- The on-going availability of high energy output coals needed in the coal blend at Greymouth Aquatic Centre may become more difficult. Council has had an undertaking from suppliers to continue to supply such coal but the cost of this coal has increased significantly based on its market demand.
- The boiler at the Greymouth Aquatic Centre is working at near full capacity during the colder months. This may have an impact on its expected life.
- The interrelationship between the Greymouth Aquatic Centre and the Miners' Recreation Centre will need to be determined once the latter is completed. The focus will be on maximizing efficiencies.
- The *sagging beams* dispute at Greymouth Aquatic Centre needs to be brought to a speedy conclusion and corrective action to arrest the beam deflection taken. Every effort to achieve this is being taken.
- The actual costs of running the Spring Creek Pool will only become clear after the first year of it being in operation.

### Heritage

- Detailed assessments will be done on the standard of earthquake resilience of History House and the Left Bank Art Gallery, as Council owned buildings. Decisions regarding the remedial works or future of these buildings will be made once the facts are available from the detailed assessments. Relocating tenants may be an option.
- The viability of incorporating History House into Shantytown or another site will be further explored and any final decision will be taken only after public consultation.

### Indoor Sport Centres

- The earthquake resilience of the Civic Centre building against Council's Earthquake Compliance Policy will determine decisions re corrective action.
- The Miners' Recreation Centre is very much reliant on external funding being sourced to supplement the Crown allocation made. This is under way.

- The Miners' Memorial Centre will render the Civic Centre largely superfluous. A decision on the future of the Civic Centre will be taken after public consultation only and will involve considering alternative uses for it.

### Cemeteries

- Karoro Cemetery, Nelson Creek Cemetery, Stillwater Cemetery and possibly Blackball Cemetery will reach full capacity (other than pre-paid plots and armed forces plots where applicable) and will be closed. This will leave Gladstone Cemetery as the District Cemetery.
- Council has identified an ageing demographic in that the number of deaths will increase into the future. The combined capacity of the remaining operative cemeteries is more than sufficient to meet likely needs. There is also the potential for an increasing trend in cremations rather than burials. This trend currently is more prevalent in metropolitan centres but may also occur in provincial areas such as the Grey District

### Parks and Tracks

- Council is undertaking a review of this activity with a view to potentially reducing the number of such facilities it maintains. The outcome will be the subject for public consultation.

### In House Task Force

- The demand on this service is increasing forcing us to prioritise tasks and requests. This may impact on coverage into the future.

### Public Restrooms

- Growth in tourism is expected to create a greater demand for public toilets. The matter is closely monitored.

## [6] Performance measures

### Libraries

| Activity Goal      | How the goal is to be achieved                                     | Measurement of achievement   | Target                     |               |                           |                            |
|--------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                    |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service | By providing quality library service                               | % of users satisfied with service  | new measure                | 80            | 85                        | 90                         |
|                    | By staff providing a friendly, efficient and professional service. | No more than 10 complaints per year  | Achieved                   | Achieved      | Achieved                  | Achieved                   |
| Access to service  | By encouraging wide participation from the community               | A minimum of 50 in-house outreach literacy learning and educational programmes delivered annually. (e.g. story-time, Summer Reading Challenge, education programmes for adults.) | 53                         | 50            | 50                        | 50                         |
|                    |  | The Greymouth library is open at least one late night per week and on Saturday mornings  | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                    |  | Opening hours and available services posted on Council's website   | Yes                        | Yes           | Yes                       | Yes                        |
|                    |  | Retain free public internet access for New Zealand citizens  | Yes                        | Yes           | Yes                       | Yes                        |
|                    | By providing convenient access                                     | An on-line service is provided to allow members to browse the library catalogue and make collection reservations   | Achieved                   | Achieved      | Achieved                  | Achieved                   |



## Swimming Pools

| Activity Goal                | How the goal is to be achieved  | Measurement of achievement   | Target                     |               |                           |                            |
|------------------------------|---|--|----------------------------|---------------|---------------------------|----------------------------|
|                              |   |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service           | By providing a safe service   | Percentage compliance with the NZ Water Quality Standards  | 100%                       | 100%          | 100%                      | 100%                       |
|                              |   | Lifeguards are trained to the NZ national standard   | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                              | By providing a professional customer service  | % of users satisfied with service  | Not measured               | 70            | 80                        | 90                         |
| Access to the service        | By providing convenient services  | A minimum number of users annually - Greymouth   | 108,000*                   | 100,000       | 101,000                   | 103,000                    |
|                              |   | A minimum numbers of users annually - Runanga  | N/A                        | 4,000         | 4,000                     | 4,000                      |
|                              |   | Service available seven days a week –Grey AC<br>Service available seven days a week during the swim season - Runanga | Yes                        | Yes           | Yes                       | Yes                        |
|                              |   | Admission fees and opening hours are posted on Council's website   | Yes                        | Yes           | Yes                       | Yes                        |
|                              |   | A minimum number of Swimming School registrations per term   | 185                        | 185           | 190                       | 200                        |
| Financial sustainability     | Maximising use of the facility by maintaining user numbers above national per capita swim averages* | minimum total swims per capita   | 7.7                        | 7.2           | 7.2                       | 7.2                        |
| Environmental sustainability | Coal fired boiler is managed without any adverse effect on the environment                          | No Resource Consent infringements  | nil                        | nil           | nil                       | nil                        |

\* Facility opened in 2009 with first year attendance figures of 134,500. This fell to 108,000 in the second year. The projected attendance targets of 100,000 exceed the national average of swims per capita (national average 5.5).

## Heritage

| Activity Goal         | How the goal is to be achieved  | Measurement of achievement   | Target                     |               |                           |                            |
|-----------------------|---|--|----------------------------|---------------|---------------------------|----------------------------|
|                       |   |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service    | Building local identity by providing or assisting in the provision of culture and heritage facilities | A minimum percentage of the public agree that the facilities are good or better. | New measure                | 70%           | 75%                       | 80%                        |
| Access to the service | By providing convenient services  | Facilities accessible seven days per week  | No                         | Yes           | Yes                       | Yes                        |

## Civic Centre/Miners Recreation Centre

| Activity Goal         | How the goal is to be achieved                   | Measurement of achievement  | Target                     |               |                           |                            |
|-----------------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|                       |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of facilities | By providing safe, professional services.        | % of users surveyed satisfied with service  | New measure                | 70            | 70                        | 90                         |
| Access to the service | Facilities are open at times convenient to users | The Civic Centre and the eventual Miners Recreation Centre will be available for use 7 days a week. | achieved                   | achieved      | achieved                  | achieved                   |
|                       | Information is readily available                 | Details of facilities and charges are available on Council's website.                               | not complete               | Yes           | Yes                       | Yes                        |

## Cemeteries

| Activity Goal                | How the goal is to be achieved  | Measurement of achievement                         | Target                     |                 |                           |                            |
|------------------------------|---|--|----------------------------|-----------------|---------------------------|----------------------------|
|                              |   |  | Current Performance (2012) | Year 1 (2013)   | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Quality of service           | Land availability in cemeteries relative to the number of people likely to be buried* | Review three yearly                                | Achieved                   | Achieved        | Achieved                  | Achieved                   |
|                              | Providing an updated cemetery record based on available information on-line           | On-line register updated with each new internment. | not available              | to be developed | Achieved                  | Achieved                   |
| Environmental sustainability | Facilities are managed without adversely affecting the receiving environment.         | Maximum number of resource consent breaches        | Nil                        | Nil             | Nil                       | Nil                        |

Refer discussion above. Certain cemeteries will not be further expanded once full.

## Parks and Tracks

| Activity Goal | How the goal is to be achieved   | Measurement of achievement  | Target                     |               |                           |                            |
|---------------|--|---|----------------------------|---------------|---------------------------|----------------------------|
|               |  |   | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
|               | Residents overall satisfaction with the service                          | Minimum % satisfied per survey  | 89                         | 80            | 80                        | 80                         |
|               | We will promote our parks and walking tracks to encourage widespread use | We will have publicly available information brochures on walking tracks and key parks in our District and also include the information on our website | Not achieved               | Achieved      | Achieved                  | Achieved                   |

## [7] Financial information

### Activity funding

#### These activities are funded by:

##### User fees

- Being community type facilities there is no opportunity in providing a quality service that is fully funded by users of the facilities. User fees are set at a level that aims to strike a balance between providing equal access to all, and recovering a fair amount from the user.

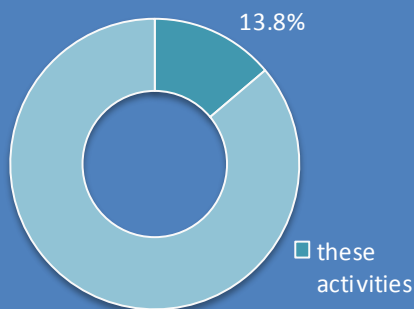
##### General Rates

- Based on the above comments, the majority of funding is provided from general rates. The assets also serve to make our district a more attractive place to live, work, and invest

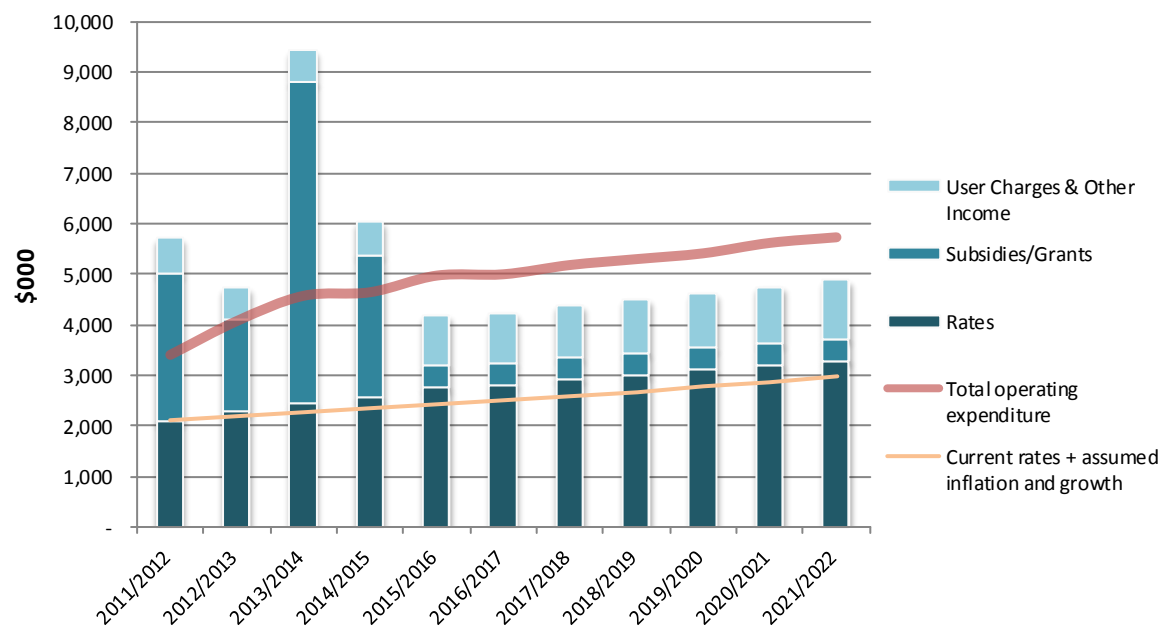
##### Subsidies and grants

- Are used wherever available, particularly towards development of new facilities

#### Percentage of total Council operating expenditure for 10 year plan



#### Community Facilities and Events: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 2,118                         | 2,306                        | 2,477                           | 2,584                           | 2,790                          | 2,846                          | 2,960                          | 3,048                          | 3,129                          | 3,232                          | 3,322                          |
| Targeted rates (other than a metered rate for water supply)            | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants for operating purposes                            | 30                            | 122                          | 367                             | 182                             | 32                             | 33                             | 33                             | 33                             | 34                             | 34                             | 34                             |
| Fees, charges, and metered rates for water supply                      | 668                           | 595                          | 613                             | 632                             | 976                            | 973                            | 1,002                          | 1,032                          | 1,064                          | 1,096                          | 1,129                          |
| Internal charges and overheads recovered                               | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 23                            | 17                           | 18                              | 18                              | 19                             | 19                             | 20                             | 21                             | 22                             | 22                             | 23                             |
| <b>Total operating funding [A]</b>                                     | <b>2,839</b>                  | <b>3,040</b>                 | <b>3,475</b>                    | <b>3,416</b>                    | <b>3,817</b>                   | <b>3,871</b>                   | <b>4,015</b>                   | <b>4,134</b>                   | <b>4,249</b>                   | <b>4,384</b>                   | <b>4,508</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 2,355                         | 2,597                        | 2,973                           | 2,853                           | 3,108                          | 3,145                          | 3,242                          | 3,339                          | 3,442                          | 3,545                          | 3,649                          |
| Finance costs  | 107                           | 342                          | 336                             | 330                             | 324                            | 317                            | 309                            | 302                            | 294                            | 285                            | 275                            |
| Internal charges and overheads applied                                 | 329                           | 382                          | 413                             | 428                             | 467                            | 490                            | 503                            | 518                            | 526                            | 549                            | 553                            |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>2,791</b>                  | <b>3,321</b>                 | <b>3,722</b>                    | <b>3,611</b>                    | <b>3,899</b>                   | <b>3,952</b>                   | <b>4,054</b>                   | <b>4,159</b>                   | <b>4,262</b>                   | <b>4,379</b>                   | <b>4,477</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>48</b>                     | <b>( 281)</b>                | <b>( 247)</b>                   | <b>( 195)</b>                   | <b>( 82)</b>                   | <b>( 81)</b>                   | <b>( 39)</b>                   | <b>( 25)</b>                   | <b>( 13)</b>                   | <b>5</b>                       | <b>31</b>                      |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | 2,900                         | 1,725                        | 5,975                           | 2,650                           | 400                            | 400                            | 400                            | 400                            | 400                            | 400                            | 400                            |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | ( 36)                         | ( 80)                        | ( 86)                           | ( 92)                           | ( 99)                          | ( 100)                         | ( 107)                         | ( 114)                         | ( 123)                         | ( 131)                         | ( 141)                         |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>2,864</b>                  | <b>1,645</b>                 | <b>5,889</b>                    | <b>2,558</b>                    | <b>301</b>                     | <b>300</b>                     | <b>293</b>                     | <b>286</b>                     | <b>277</b>                     | <b>269</b>                     | <b>259</b>                     |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 3,007                         | 1,342                        | 5,638                           | 2,268                           | 19                             | 20                             | 20                             | 21                             | 21                             | 22                             | 23                             |
| —to replace existing assets  | 204                           | 128                          | 158                             | 137                             | 119                            | 146                            | 120                            | 189                            | 145                            | 164                            | 228                            |
| Increase (decrease) in reserves  | ( 299)                        | ( 106)                       | ( 154)                          | ( 42)                           | 81                             | 53                             | 114                            | 51                             | 98                             | 88                             | 39                             |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>2,912</b>                  | <b>1,364</b>                 | <b>5,642</b>                    | <b>2,363</b>                    | <b>219</b>                     | <b>219</b>                     | <b>254</b>                     | <b>261</b>                     | <b>264</b>                     | <b>274</b>                     | <b>290</b>                     |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>( 48)</b>                  | <b>281</b>                   | <b>247</b>                      | <b>195</b>                      | <b>82</b>                      | <b>81</b>                      | <b>39</b>                      | <b>25</b>                      | <b>13</b>                      | <b>( 5)</b>                    | <b>( 31)</b>                   |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge                      | 1,121                         | 1,250                        | 1,326                           | 1,406                           | 1,588                          | 1,623                          | 1,670                          | 1,719                          | 1,763                          | 1,822                          | 1,865                          |
| General Rates - set on land value                                  | 997                           | 1,056                        | 1,151                           | 1,178                           | 1,202                          | 1,223                          | 1,290                          | 1,329                          | 1,366                          | 1,410                          | 1,457                          |
| Targeted rates (including targeted rates for water supply)         | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Subsidies and grants (operating and capital)                       | 2,930                         | 1,847                        | 6,342                           | 2,832                           | 432                            | 433                            | 433                            | 433                            | 434                            | 434                            | 434                            |
| User charges and regulatory income (consent fees, infringements et | 691                           | 612                          | 631                             | 650                             | 995                            | 992                            | 1,022                          | 1,053                          | 1,086                          | 1,118                          | 1,152                          |
| Internal charges and overheads recovered                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Other income   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total income</b>  | <b>5,739</b>                  | <b>4,765</b>                 | <b>9,450</b>                    | <b>6,066</b>                    | <b>4,217</b>                   | <b>4,271</b>                   | <b>4,415</b>                   | <b>4,534</b>                   | <b>4,649</b>                   | <b>4,784</b>                   | <b>4,908</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | 972                           | 994                          | 1,027                           | 1,059                           | 1,259                          | 1,297                          | 1,336                          | 1,376                          | 1,417                          | 1,460                          | 1,504                          |
| Operating & maintenance costs                                      | 1,383                         | 1,603                        | 1,946                           | 1,794                           | 1,849                          | 1,848                          | 1,906                          | 1,963                          | 2,025                          | 2,085                          | 2,145                          |
| Finance costs  | 107                           | 342                          | 336                             | 330                             | 324                            | 317                            | 309                            | 302                            | 294                            | 285                            | 275                            |
| Internal charges and overheads applied                             | 329                           | 382                          | 413                             | 428                             | 467                            | 490                            | 503                            | 518                            | 526                            | 549                            | 553                            |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 609                           | 749                          | 847                             | 1,029                           | 1,070                          | 1,043                          | 1,124                          | 1,136                          | 1,148                          | 1,237                          | 1,250                          |
| <b>Total expenditure</b>   | <b>3,400</b>                  | <b>4,070</b>                 | <b>4,569</b>                    | <b>4,640</b>                    | <b>4,969</b>                   | <b>4,995</b>                   | <b>5,178</b>                   | <b>5,295</b>                   | <b>5,410</b>                   | <b>5,616</b>                   | <b>5,727</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>2,339</b>                  | <b>695</b>                   | <b>4,881</b>                    | <b>1,426</b>                    | <b>( 752)</b>                  | <b>( 724)</b>                  | <b>( 763)</b>                  | <b>( 761)</b>                  | <b>( 761)</b>                  | <b>( 832)</b>                  | <b>( 819)</b>                  |

## [8] How we manage our assets that support this activity

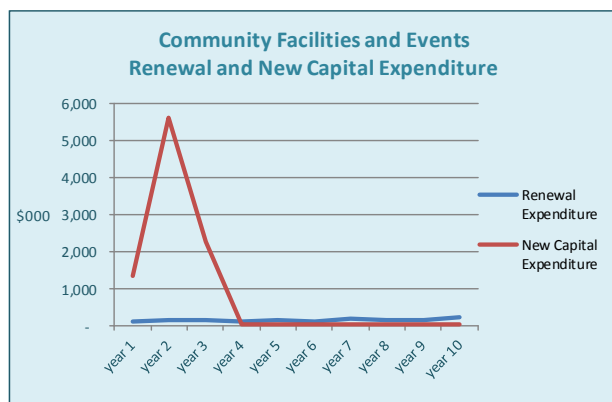
Council has an extensive level of information about assets in the Activity Management Plans (AMPs). The AMPs also contain detailed service level information such as capacity, response to complaints, and criteria for maintenance, renewals and upgrades.

Assets that are critical to the system are monitored proactively and decisions made about maintenance, upgrades and renewals as needed. We also respond to information from customers and contractors, as well as resident surveys and enquiries.

The focus over the next three years is to maintain existing levels of service taking into account projected population growth and other demand factors

## [9] Significant capital expenditure

### Summary



### Significant Renewal projects

|                                      | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|--------------------------------------|--------|--------|--------|-------------------|-------------------------------|
| General renewals of community assets | 57     | 59     | 61     | 489               | all years                     |
| Vehicle replacement                  | 20     | -      | -      | 46                | years 5,9                     |

## Increase in level of service – significant projects

|                                     | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|-------------------------------------|--------|--------|--------|-------------------|-------------------------------|
| Northern Breakwater recreation area | 75     | 75     | -      | -                 |                               |
| Miners' Recreation Centre           | 1,250  | 5,500  | 2,250  | -                 |                               |

## Additional capacity

None specifically provided for in plan, beyond providing for future growth when replacing assets.

## [10] Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions re the life of assets include:

- Assets will perform to the required standard per the Activity Management Plans for the duration of its useful lives

## [11] Potential negative effects of this activity (significant)

Assumptions re the life of assets include:

- Assets will perform to the required standard per the Activity Management Plans for the duration of its useful lives

Assumptions re Sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from loans funded over the expected life of the asset. Other sources of funding include:
  - Rates
  - Special Reserve funds
  - User charges.

# [11] Democracy and administration

## [1] Activities included in this group

Democracy and Administration includes:

- Council
- Facilitation of achievement of non-Council function outcomes i.e.
  - Health
  - Personal and Property Safety
  - Good Education
- Public consultation
- Council's Administration

## [2] Why we are involved in this activity/these activities

A healthy community requires its elected Council to show strong leadership, but, at the same time to conduct its business in an open, transparent manner. An important part of this is for it to actively and constructively seek the involvement of the community in matters that affect them or are dear to them.

An important component of this is a Council Administration that executes Council's policies in a professional, objective and fair manner and, in doing so, respects the needs and circumstances of individual residents.

There are, however, functions that are of the utmost importance to communities which fall outside of the jurisdiction of local authorities. In our case, it involves the availability of good health and education services and , personal and property safety. Council recognises the importance of these functions and actively engages with service providers to ensure that such services are in place..

## [3] Contribution to Council's Vision

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | Without confidence in the leadership of Council, an economy is unlikely to grow. Services like health, education and safety are all most important for growth, and Council plays an important facilitation and leadership role in ensuring the best and most appropriate services are provided to the district. |
| Affordable quality services. | One of the focus areas for Council in its consultation with external service providers is the need to keep services to a high standard, accessible and affordable.to the community.   |

## [4] What we'll provide

### Council

We will:

- Serve our community with integrity, dedication and commitment, at all times seeking to achieve the very best for our District and its people.
- Take strong leadership in addressing issues facing the District
- Ensure that our Administration is professional and competent and acts in support of Council's vision
- Seek the community's involvement in all matters that are important to them or dear to them and to consider inputs carefully and constructively.
- Work with other authorities and agencies, both locally and Regionally in order to gain efficiencies



### **Advocacy for achievement of outcomes beyond council's core functions**

We will:

- Work with the Crown, WCDHB and other associated bodies to advocate the retention of modern health facilities and that they will continue to provide a professional and diverse range of services
- Work with the WCDHB to ensure that there is an active cooperation with the Canterbury DHB on patient access and referral, exchange of doctors and training.
- Assist in addressing doctor and other medical specialist shortages.

We will:

- Work with the Ministry of Education as well as local schools to ensure the future and viability of schools and, in particular Tai Poutini Polytechnic

We will:

- Work with the NZ Police in ensuring adequate staffing for the local station and the maintenance of law and order within our community.
- Work with NZ Fire Service in ensuring adequate staffing for the local station and rural stations
- Work with St John, Red Cross, and such bodies in ensuring a viable ambulance and medical and other rescue and support service
- Work with WCRC in ensuring adequate flood protection schemes being maintained.

- Funding of key health and safety support functions i.e. St John, Red Cross as well as the Air Rescue Service will remain an issue demanding a lasting solution

### **Council's Administration**

- The ability to recruit staff in key specialist positions will remain an issue.
- The smaller size of the Administration will continue to demand a higher input from individual staff members which may impact on staff retention.

## **[5] Key issues facing the activity**

### **Council**

- With the ever changing legislative environment, the workload on Council remains high.
- The on-going combined impact of Christchurch, and the worldwide economic recession makes it immensely difficult to maintain a balance between cost and standards of service delivery. This pressure is, however expected to ease from Year 2 onwards

### **Advocacy of achievement of non-council function outcomes**

- The future of Tai Poutini Polytechnic as an autonomous education facility may be under threat.
- There is some urgency to the Hospital rebuild project.
- The inability to recruit doctors and other specialist medical and health promotion staff, albeit not an issue currently, will remain a problem which has to be dealt with.

**[6] Performance measures**

| Activity Goal                        | How the goal is to be achieved   | Measurement of achievement   | Target                     |               |                           |                            |
|--------------------------------------|--|--|----------------------------|---------------|---------------------------|----------------------------|
|                                      |  |  | Current Performance (2012) | Year 1 (2013) | Years 2 – 3 (2014 – 2015) | Years 4 – 10 (2016 – 2022) |
| Accessibility and quality of service | We will provide the highest standard of customer service                               | Overall satisfaction from those who have contacted Council offices   | 88%                        | 85%           | 85%                       | 85%                        |
|                                      | We will conduct our business in a Transparent and accountable manner                   | Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum | Achieved                   | Achieved      | Achieved                  | Achieved                   |
|                                      |  | Minimum % of Council business conducted in open  | 85%                        | >80%          | >80%                      | >80%                       |
|                                      |  | Minimum % surveyed that agree the public are consulted on important issues   | new measure                | 90%           | 90%                       | 90%                        |
|                                      | We will maximise Local and regional co-operation opportunities to achieve efficiencies | Full participation in West Coast Mayors/Chairs and CEO meetings  | 100%                       | 100%          | 100%                      | 100%                       |
|                                      |  | Full participation in Grey DC/DOC liaison quarterly meetings   | 100%                       | 100%          | 100%                      | 100%                       |
|                                      | Our community representatives will demonstrate strong Leadership                       | Public satisfaction with performance of Mayor and Councillors  | 91%                        | 85%           | 85%                       | 85%                        |

## [7] Financial information

### Activity funding

These activities are mainly funded by:

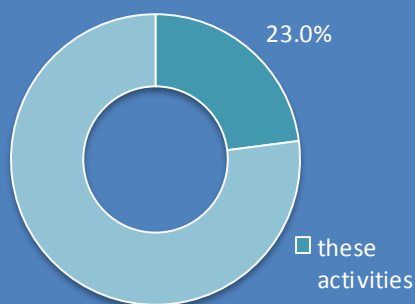
General Rates

- The cost of provided the democratic process (Councillor remuneration, meetings etc...) is shared as a cost against all ratepayers

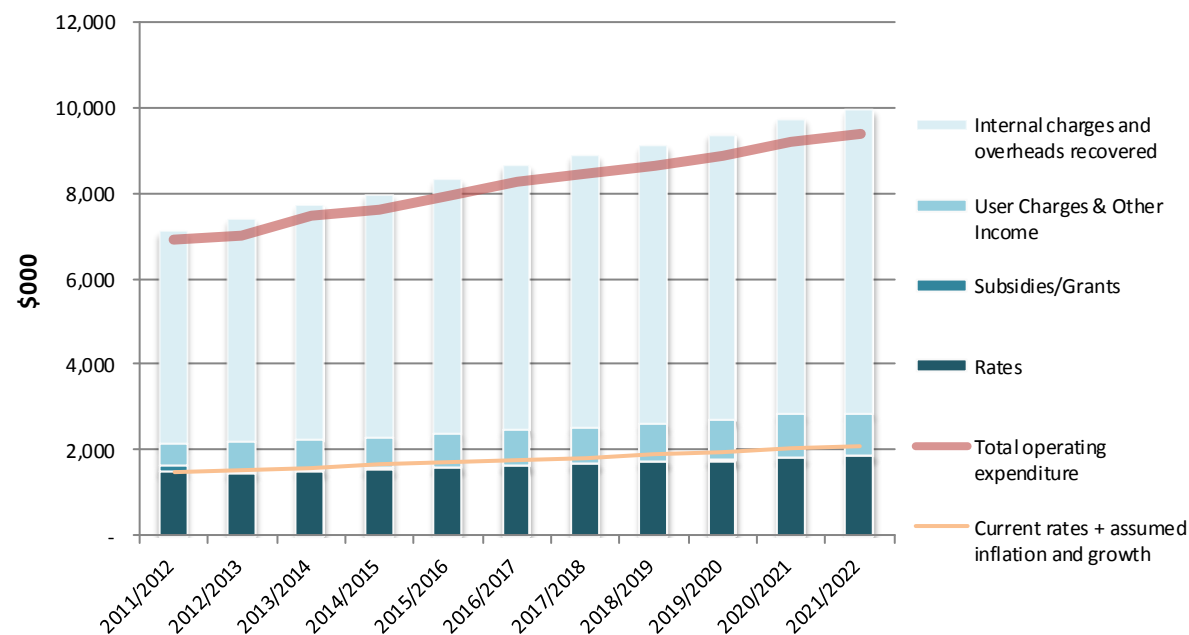
Internal overheads recovered

- The cost of Council's administration is recovered as a cost against the external services Council provides

Percentage of total Council operating expenditure for 10 year plan



### Democracy and Administration: Sources of income and total expenditure



In the graph above we show as the yellow 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 (dark blue portion of the bar) 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.

## Funding impact statement

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties         | 1,287                         | 1,218                        | 1,259                           | 1,295                           | 1,331                          | 1,370                          | 1,403                          | 1,446                          | 1,483                          | 1,528                          | 1,574                          |
| Targeted rates (other than a metered rate for water supply)            | 209                           | 224                          | 229                             | 233                             | 238                            | 242                            | 247                            | 252                            | 257                            | 262                            | 267                            |
| Subsidies and grants for operating purposes                            | 119                           | 59                           | 59                              | 29                              | 29                             | 29                             | 29                             | 29                             | 29                             | 29                             | 29                             |
| Fees, charges, and metered rates for water supply                      | 151                           | 106                          | 191                             | 107                             | 146                            | 181                            | 157                            | 127                            | 162                            | 200                            | 166                            |
| Internal charges and overheads recovered                               | 4,985                         | 5,231                        | 5,508                           | 5,686                           | 5,953                          | 6,170                          | 6,357                          | 6,530                          | 6,686                          | 6,913                          | 7,097                          |
| Local authorities fuel tax, fines, infringement fees, & other receipts | 366                           | 562                          | 478                             | 621                             | 632                            | 655                            | 690                            | 726                            | 768                            | 808                            | 819                            |
| <b>Total operating funding [A]</b>                                     | <b>7,117</b>                  | <b>7,400</b>                 | <b>7,724</b>                    | <b>7,971</b>                    | <b>8,329</b>                   | <b>8,647</b>                   | <b>8,883</b>                   | <b>9,110</b>                   | <b>9,385</b>                   | <b>9,740</b>                   | <b>9,952</b>                   |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 5,264                         | 5,305                        | 5,619                           | 5,676                           | 5,934                          | 6,160                          | 6,314                          | 6,460                          | 6,690                          | 6,909                          | 7,091                          |
| Finance costs  | 56                            | 107                          | 102                             | 97                              | 92                             | 86                             | 80                             | 74                             | 67                             | 59                             | 53                             |
| Internal charges and overheads applied                                 | 1,241                         | 1,284                        | 1,366                           | 1,421                           | 1,503                          | 1,573                          | 1,613                          | 1,660                          | 1,682                          | 1,753                          | 1,765                          |
| Other operating funding applications                                   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                     | <b>6,561</b>                  | <b>6,696</b>                 | <b>7,087</b>                    | <b>7,194</b>                    | <b>7,529</b>                   | <b>7,819</b>                   | <b>8,007</b>                   | <b>8,194</b>                   | <b>8,439</b>                   | <b>8,721</b>                   | <b>8,909</b>                   |
| <b>Surplus (deficit) of operating funding [A - B]</b>                  | <b>556</b>                    | <b>704</b>                   | <b>637</b>                      | <b>777</b>                      | <b>800</b>                     | <b>828</b>                     | <b>876</b>                     | <b>916</b>                     | <b>946</b>                     | <b>1,019</b>                   | <b>1,043</b>                   |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                           | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Development and financial contributions                                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Increase (decrease) in debt  | 384                           | 300                          | (69)                            | (74)                            | (79)                           | (85)                           | (91)                           | (97)                           | (104)                          | (112)                          | (75)                           |
| Gross proceeds from sale of assets                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                            | <b>384</b>                    | <b>300</b>                   | <b>(69)</b>                     | <b>(74)</b>                     | <b>(79)</b>                    | <b>(85)</b>                    | <b>(91)</b>                    | <b>(97)</b>                    | <b>(104)</b>                   | <b>(112)</b>                   | <b>(75)</b>                    |
| <b>[D] APPLICATIONS OF CAPITAL FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service                                       | 648                           | 532                          | 8                               | 8                               | 9                              | 9                              | 9                              | 9                              | 10                             | 10                             | 10                             |
| —to replace existing assets  | 115                           | 177                          | 311                             | 141                             | 284                            | 195                            | 333                            | 157                            | 312                            | 215                            | 407                            |
| Increase (decrease) in reserves  | 177                           | 295                          | 249                             | 554                             | 428                            | 539                            | 443                            | 653                            | 520                            | 682                            | 551                            |
| Increase (decrease) of investments                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of capital funding [D]</b>                       | <b>940</b>                    | <b>1,004</b>                 | <b>568</b>                      | <b>703</b>                      | <b>721</b>                     | <b>743</b>                     | <b>785</b>                     | <b>819</b>                     | <b>842</b>                     | <b>907</b>                     | <b>968</b>                     |
| <b>Surplus (deficit) of capital funding [C - D]</b>                    | <b>(556)</b>                  | <b>(704)</b>                 | <b>(637)</b>                    | <b>(777)</b>                    | <b>(800)</b>                   | <b>(828)</b>                   | <b>(876)</b>                   | <b>(916)</b>                   | <b>(946)</b>                   | <b>(1,019)</b>                 | <b>(1,043)</b>                 |
| <b>Funding balance: [A - B] + [C - D]</b>                              | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

## Profit and loss for group of activities

The above *funding impact statement* summarises all the money to be raised (sources of funds) and where it is to be spent (application of funding). It does not take into account any transactions that have no direct funding impact ('non cash' transactions), such as depreciation. Some of these transactions have a material impact on Council's surplus/deficit, most notably depreciation. Depreciation is discussed in more detail earlier in the plan (see PART C:[3][1] Are we raising enough revenue to pay our fair share towards replacement of assets (both within the 10 years of this plan and beyond)?).

It is therefore important to consider the impact of these transactions for each *group of activities*. This will also allow you to see how each group of activities contributes to Council's overall financial performance detailed later in this plan.

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge and rate penalties   | 1,256                         | 1,186                        | 1,225                           | 1,260                           | 1,295                          | 1,333                          | 1,365                          | 1,406                          | 1,442                          | 1,486                          | 1,531                          |
| General Rates - set on land value                                  | 31                            | 32                           | 34                              | 35                              | 36                             | 37                             | 38                             | 40                             | 41                             | 42                             | 43                             |
| Targeted rates (including targeted rates for water supply)         | 209                           | 224                          | 229                             | 233                             | 238                            | 242                            | 247                            | 252                            | 257                            | 262                            | 267                            |
| Subsidies and grants (operating and capital)                       | 119                           | 59                           | 59                              | 29                              | 29                             | 29                             | 29                             | 29                             | 29                             | 29                             | 29                             |
| User charges and regulatory income (consent fees, infringements et | 516                           | 668                          | 669                             | 728                             | 778                            | 836                            | 847                            | 853                            | 930                            | 1,008                          | 985                            |
| Internal charges and overheads recovered                           | 4,985                         | 5,231                        | 5,508                           | 5,686                           | 5,953                          | 6,170                          | 6,357                          | 6,530                          | 6,686                          | 6,913                          | 7,097                          |
| Other income   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total income</b>  | <b>7,116</b>                  | <b>7,400</b>                 | <b>7,724</b>                    | <b>7,971</b>                    | <b>8,329</b>                   | <b>8,647</b>                   | <b>8,883</b>                   | <b>9,110</b>                   | <b>9,385</b>                   | <b>9,740</b>                   | <b>9,952</b>                   |
| <b>EXPENDITURE</b>   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Staff costs  | 3,040                         | 3,210                        | 3,317                           | 3,421                           | 3,523                          | 3,629                          | 3,738                          | 3,850                          | 3,965                          | 4,084                          | 4,207                          |
| Operating & maintenance costs                                      | 2,213                         | 2,095                        | 2,302                           | 2,255                           | 2,411                          | 2,531                          | 2,576                          | 2,610                          | 2,725                          | 2,825                          | 2,884                          |
| Finance costs  | 56                            | 107                          | 102                             | 97                              | 92                             | 86                             | 80                             | 74                             | 67                             | 59                             | 53                             |
| Internal charges and overheads applied                             | 1,240                         | 1,284                        | 1,366                           | 1,421                           | 1,503                          | 1,573                          | 1,613                          | 1,660                          | 1,682                          | 1,753                          | 1,765                          |
| Other operating expenditure  | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Depreciation   | 356                           | 306                          | 400                             | 406                             | 415                            | 423                            | 433                            | 441                            | 451                            | 459                            | 471                            |
| <b>Total expenditure</b>   | <b>6,905</b>                  | <b>7,002</b>                 | <b>7,487</b>                    | <b>7,600</b>                    | <b>7,944</b>                   | <b>8,242</b>                   | <b>8,440</b>                   | <b>8,635</b>                   | <b>8,890</b>                   | <b>9,180</b>                   | <b>9,380</b>                   |
| <b>Surplus (deficit) of activities</b>                             | <b>211</b>                    | <b>398</b>                   | <b>237</b>                      | <b>371</b>                      | <b>385</b>                     | <b>405</b>                     | <b>443</b>                     | <b>475</b>                     | <b>495</b>                     | <b>560</b>                     | <b>572</b>                     |

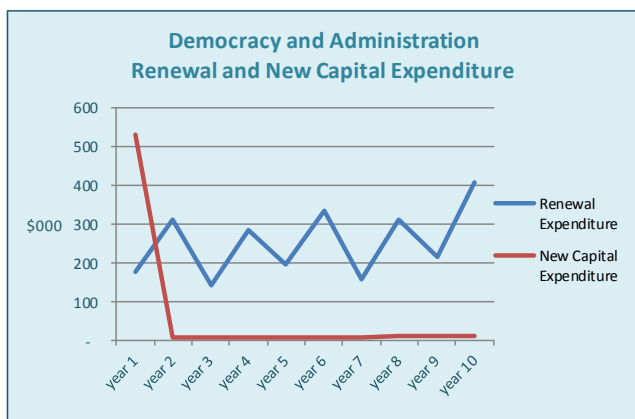
**[8] How we manage our assets that support this activity**

This group of activities has very little assets of significance. The few assets involved are monitored proactively and decisions made about maintenance, upgrades and renewals as needed.

Our work programme over the next three years is based on past workloads and set at a level to maintain existing levels of service.

**[9] Significant capital expenditure**

**Summary**



**Significant Renewal projects**

|   | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---|--------|--------|--------|-------------------|-------------------------------|
| Office equipment replacement including IT | 84     | 86     | 89     | 701               | all years                     |
| Vehicle replacements                      | 86     | 207    | 45     | 1,071             | all years                     |

**Increase in level of service – significant projects**

|                                 | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 to YEAR 10 | timing for projects > 4 years |
|---------------------------------|--------|--------|--------|-------------------|-------------------------------|
| Upgrade of core computer system | 524    | -      | -      | -                 |                               |

**Additional capacity**

None specifically provided for in plan, beyond providing for future growth when replacing assets.

**[10] Key assumptions about the useful life of assets and the sources of funding for replacement**

Nil

**[11] Potential negative effects of this activity (significant)**

Nil

**[12] Key assumptions we have made about this activity/these activities**

- The demands on Council’s Administration will not increase to such an extent that further positions will have to be created.
- Local interest in being involved in local government will continue to be high and will provide sufficient, quality candidates for election.
- Council will continue to operate as an autonomous local authority on the same basis as it does now
- Council will be appointing a new CEO during the currency of this Plan.
- Relationships with service providers of non-Council services identified in this plan as well as other authorities including the Crown and neighbouring local authorities will remain constructive and positive.



# PART E: Council finances and rating information



# [1] Introduction

## [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 2012.

## [2] Authorisation for issue

This document was authorised for issue by Council on, and is dated, **28 JUNE 2012**.

## [3] Purpose for which this plan is prepared

This Grey District Council 2012 - 2022 Long Term Plan is prepared in accordance with the Local Government Act 2002, which requires a council, at all times, to have a Long Term 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.

## [4] Comparative information

The 2011/2012 comparative information is based on the 2011/2012 Annual Plan.

## [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.

### [1] Price level adjustment

Price level adjustments for inflation have been allowed for all 10 years of the ten-year Long Term 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           | 2.5% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Building Costs          | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Construction Index      | 3.2% | 3.3% | 3.1% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Primary Producers Index | 3.2% | 3.3% | 3.1% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Electricity Index       | 4.0% | 3.3% | 3.4% | 2.7% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Roading Index           | 3.4% | 3.2% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

Inflation assumption per the above have been included on a line by line basis in operating budgets; with equivalents from 2011/2012 estimates used as the basis for calculating future years expenditure items

## [2] Growth forecasting

Growth has been allowed for at a rate determined by Council to be the most appropriate, using information from the Department of Statistics population projections, combined with our knowledge of current and planned development in the district. On this basis the Long Term Plan assumes that the District's population will increase from: the latest estimation of 13,900 people as at June 2011; to an estimated 14,500 by 2022 (an average of approximately 0.4% growth per annum).

Within the Long Term 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.

## [3] Borrowing

### Interest rates

Interest rates on borrowings are calculated on:

- Current rates for existing borrowings (6.0% - 7.8%).
- 7.0% - 8.0% 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.

### 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.

## [4] Investments

Interest rates on investments are calculated at 5.0% 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.

## [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.

## [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 rate confirmed by NZTA for the first three years of the plan. For the remaining seven 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 Runanga, Taylorville/Dobson, and Stillwater supply upgrades.
- External grants and subsidies will fund the entire capital cost of the Miners' Recreation Centre to be developed in the first 3 years of this plan.

## [7] Local Government responsibilities

For the purposes of this plan it is assumed that there will be no significant change to the local government environment and the functions we are mandated to carry out. This includes:

- It is assumed that there will be no devolutions of responsibilities from Central Government to Local Government, particularly not without equivalent increase in funding; and
- It is assumed that there will be no restrictions on Council undertaking any of the services outlined in this plan.

## [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.

## [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 2014. Any changes will be incorporated into relative planning documents.

## [10] Fixed assets

### 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.

### 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.

### 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.

## [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).

## [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.

## [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.

## [14] General commitments and contingencies

Council is not aware of any additional commitments or contingencies not already covered in this plan.

## [15] 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.

## **[16] 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.

## **[17] 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.

With the Emissions Trading Scheme legislation in place Council has included the costs that are necessary to be met as an emitter (landfill). Refer to PART E:[2][1] Price level adjustment above for the assumptions relating to price increases resultant from the introduction of an emissions trading scheme.

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..

## [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 as determined by Council, using figures provided by BERL, an economic forecasting agency, as the basis and modified by Council to suit local market knowledge. 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 \$15 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 | will be higher/lower than  | LOW                            | <p>Council does not directly rely on investment returns to deliver its services. A reduction in returns will have the</p>  |

| FORECASTING ASSUMPTION        | LEVEL OF UNCERTAINTY   | RISK ASSESSMENT (LOW/MED/HIGH) | REASONING FOR ASSESSMENT  |
|-------------------------------|--|--------------------------------|---|
| investments                   | forecast   |                                | greatest effect on special funds set aside for specific purposes.   |
| grants and subsidies          |  | MED                            | NZTA financial assistance for roading maintenance, renewal, and new capital works represent a significant portion of the activity income (financial assistance rate between 60% - 70%). This has been confirmed for the first three years of the plan. 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.  |
|                               |  | MED                            | Ministry of Health subsidies have been assumed for the capital cost of upgrading particular water supplies to meet Drinking Water Standards, specifically: <ul style="list-style-type: none"> <li>• Runanga – 50% subsidy</li> <li>• Dobson/Taylorville – 50% subsidy</li> <li>• Stillwater – 80% subsidy</li> </ul> No applications have been confirmed, and the above assumptions are based on Council's interpretation of the criteria as it applies to these specific supplies. If applications are unsuccessful and/or a different rate subsidy is provided this will have a direct impact on the affordability for the respective communities. 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.<br>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      | further costs/compliance measures are introduced and/or the cost of trading in the market exceeds what is predicted in this  | LOW                            | Council has allowed for the costs as are known now. Annual budgets are refined to update all assumptions as part of each annual plan process.   |

| FORECASTING ASSUMPTION | LEVEL OF UNCERTAINTY  | RISK ASSESSMENT (LOW/MED/HIGH) | REASONING FOR ASSESSMENT   |
|------------------------|---|--------------------------------|--|
|                        | plan  |                                |  |
| 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] Budgeted Statement of Comprehensive Income

|  | Note     | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|----------|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |          |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Rates revenue  | 1        | 12,752                               | 13,477                       | 14,200                          | 14,693                          | 15,303                         | 15,818                         | 16,345                         | 16,891                         | 17,464                         | 17,997                         | 18,546                         |
| Other revenue  | 2        | 14,627                               | 13,996                       | 22,140                          | 13,017                          | 14,865                         | 11,051                         | 11,369                         | 12,192                         | 12,392                         | 12,935                         | 13,000                         |
| Other gains/(losses)   | 3        | 284                                  | 152                          | 428                             | 499                             | 374                            | 485                            | 208                            | 221                            | 758                            | 142                            | 146                            |
| <b>Total income</b>  | <b>4</b> | <b>27,663</b>                        | <b>27,625</b>                | <b>36,768</b>                   | <b>28,209</b>                   | <b>30,542</b>                  | <b>27,354</b>                  | <b>27,922</b>                  | <b>29,304</b>                  | <b>30,614</b>                  | <b>31,074</b>                  | <b>31,692</b>                  |
| <b>EXPENDITURE</b>   |          |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| 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                                | 8,035                        | 8,520                           | 9,387                           | 9,504                          | 9,546                          | 10,301                         | 10,338                         | 10,376                         | 11,202                         | 11,399                         |
| Other expenses   |          | 9,992                                | 10,476                       | 11,313                          | 11,489                          | 11,847                         | 12,198                         | 12,587                         | 12,977                         | 13,399                         | 13,787                         | 14,262                         |
| Finance costs  |          | 842                                  | 1,251                        | 2,328                           | 2,312                           | 2,284                          | 2,260                          | 2,252                          | 2,242                          | 2,227                          | 2,219                          | 2,516                          |
| <b>Total operating expenditure</b>                                       | <b>5</b> | <b>23,148</b>                        | <b>24,233</b>                | <b>26,781</b>                   | <b>27,953</b>                   | <b>28,715</b>                  | <b>29,231</b>                  | <b>30,525</b>                  | <b>31,103</b>                  | <b>31,713</b>                  | <b>33,091</b>                  | <b>34,243</b>                  |
| <b>Net surplus/(deficit) before tax</b>                                  |          | <b>4,515</b>                         | <b>3,392</b>                 | <b>9,987</b>                    | <b>256</b>                      | <b>1,827</b>                   | <b>( 1,877)</b>                | <b>( 2,603)</b>                | <b>( 1,799)</b>                | <b>( 1,099)</b>                | <b>( 2,017)</b>                | <b>( 2,551)</b>                |
| Income tax expense   |          | -                                    | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Surplus/(deficit) after tax attributable to Grey District Council</b> |          | <b>4,515</b>                         | <b>3,392</b>                 | <b>9,987</b>                    | <b>256</b>                      | <b>1,827</b>                   | <b>( 1,877)</b>                | <b>( 2,603)</b>                | <b>( 1,799)</b>                | <b>( 1,099)</b>                | <b>( 2,017)</b>                | <b>( 2,551)</b>                |
| <b>OTHER COMPREHENSIVE INCOME</b>  |          |                                      |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Increase in asset revaluation reserve                                    |          | -                                    | -                            | 23,760                          | -                               | -                              | 25,117                         | -                              | -                              | 26,639                         | -                              | -                              |
| <b>Total comprehensive income</b>  |          | <b>4,515</b>                         | <b>3,392</b>                 | <b>33,747</b>                   | <b>256</b>                      | <b>1,827</b>                   | <b>23,240</b>                  | <b>( 2,603)</b>                | <b>( 1,799)</b>                | <b>25,540</b>                  | <b>( 2,017)</b>                | <b>( 2,551)</b>                |

Note: The cost of service statements presented in SECTION C 'Groups of Activities' do not include 'Other Comprehensive Income'. They will therefore reconcile to the 'Surplus/(deficit) after tax attributable to Grey District Council' line in the above statement.

The mandatory disclosures required for financial statements under Local Government (Financial Reporting) Regulations 2011 have been disclosed in the notes to these forecast financial statements.

## [5] Forecast movements in equity

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Equity at the beginning of the year            | 328,732                       | 310,934                      | 314,326                         | 348,073                         | 348,329                        | 350,156                        | 373,396                        | 370,793                        | 368,994                        | 394,534                        | 392,517                        |
| Total recognised income/(expense) for the year | 4,515                         | 3,392                        | 33,747                          | 256                             | 1,827                          | 23,240                         | ( 2,603)                       | ( 1,799)                       | 25,540                         | ( 2,017)                       | ( 2,551)                       |
| <b>Balance at 30 June</b>                      | <b>333,247</b>                | <b>314,326</b>               | <b>348,073</b>                  | <b>348,329</b>                  | <b>350,156</b>                 | <b>373,396</b>                 | <b>370,793</b>                 | <b>368,994</b>                 | <b>394,534</b>                 | <b>392,517</b>                 | <b>389,966</b>                 |

**Note:** The opening balance for equity for the 2012/2013 does not match the closing equity balance for the current budget (2011/2012). This is because we have reforecast the opening balances for 2012/2013 based on more up to date information we currently have to hand. The total difference is \$22,313,000. The main reason for the difference is:

- When preparing 2011/2012 budgets we forecast the total balance of revaluation reserves to be \$104,630,000 by 30 June 2012. Based on actual results of the revaluations as at 30 June 2011 the actual balance is \$84,908,000 which is \$19,722,000 less.
- Investments are now forecast to be higher than forecast when preparing 2011/2012 budgets (approximately \$4.5m). This is due to some projects (largely Greymouth Sewerage) not proceeding as quickly as planned, resulting in more funds being retained on hand until the work is carried out.

# [6] Forecast balance sheet

|   | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| <b>Current Assets</b>                           |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Cash and cash equivalents                       | 7,207                         | 5,627                        | 2,517                           | 2,377                           | 3,183                          | 3,930                          | 5,365                          | 5,945                          | 7,636                          | 8,152                          | 9,575                          |
| Trade and other receivables                     | 3,231                         | 3,540                        | 4,964                           | 3,682                           | 3,808                          | 3,217                          | 3,193                          | 3,350                          | 3,433                          | 3,559                          | 3,619                          |
| Short-Term investments                          | 1,779                         | 4,632                        | 7,171                           | 7,032                           | 4,896                          | 5,438                          | 4,721                          | 4,979                          | 4,596                          | 5,160                          | 4,567                          |
| Inventory                                       | -                             | 625                          | 625                             | 625                             | 625                            | 625                            | 625                            | 625                            | 625                            | 625                            | 625                            |
| Non-current assets held for sale                | 208                           | 639                          | 543                             | 462                             | 393                            | 334                            | 284                            | 241                            | 205                            | 174                            | 148                            |
|   | 12,425                        | 15,063                       | 15,820                          | 14,178                          | 12,905                         | 13,544                         | 14,188                         | 15,140                         | 16,495                         | 17,670                         | 18,534                         |
| <b>Non Current Assets</b>                       |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Trade and other receivables                     | -                             |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Property, plant and equipment                   | 336,830                       | 335,251                      | 369,849                         | 369,784                         | 371,247                        | 393,687                        | 390,222                        | 387,272                        | 411,259                        | 408,239                        | 409,492                        |
| Term investments*                               | 2,081                         | 1,075                        | 1,866                           | 2,030                           | 1,944                          | 2,016                          | 1,879                          | 2,003                          | 1,840                          | 1,955                          | 1,588                          |
|   | 338,911                       | 336,326                      | 371,715                         | 371,814                         | 373,191                        | 395,703                        | 392,101                        | 389,275                        | 413,099                        | 410,194                        | 411,080                        |
| <b>TOTAL ASSETS</b>                             | <b>351,336</b>                | <b>351,389</b>               | <b>387,535</b>                  | <b>385,992</b>                  | <b>386,096</b>                 | <b>409,247</b>                 | <b>406,289</b>                 | <b>404,415</b>                 | <b>429,594</b>                 | <b>427,864</b>                 | <b>429,614</b>                 |
| <b>LIABILITIES</b>                              |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| <b>Current Liabilities</b>                      |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Trade and other payables                        | 2,252                         | 3,482                        | 5,889                           | 4,570                           | 3,173                          | 3,249                          | 2,790                          | 2,776                          | 2,893                          | 3,002                          | 3,122                          |
| Employee benefit liabilities                    | 306                           | 680                          | 630                             | 643                             | 656                            | 669                            | 682                            | 696                            | 710                            | 724                            | 738                            |
| Deferred income                                 | 96                            | 114                          | 116                             | 118                             | 120                            | 122                            | 124                            | 126                            | 129                            | 132                            | 135                            |
| Borrowings                                      | 2,879                         | 17,329                       | 1,437                           | 1,344                           | 5,822                          | 5,603                          | 5,551                          | 5,861                          | 665                            | 6,860                          | 6,893                          |
| Derivative financial instruments                | -                             | 120                          | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
|   | 5,533                         | 21,725                       | 8,072                           | 6,675                           | 9,771                          | 9,643                          | 9,147                          | 9,459                          | 4,397                          | 10,718                         | 10,888                         |
| <b>Non Current Liabilities</b>                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Provision for closed landfill                   | 817                           | 833                          | 850                             | 867                             | 884                            | 902                            | 920                            | 938                            | 957                            | 976                            | 996                            |
| Employee benefit liabilities                    | 221                           | 162                          | 165                             | 168                             | 171                            | 174                            | 177                            | 181                            | 185                            | 189                            | 193                            |
| Borrowings                                      | 11,518                        | 14,343                       | 30,375                          | 29,953                          | 25,114                         | 25,132                         | 25,252                         | 24,843                         | 29,521                         | 23,464                         | 27,571                         |
| Derivative financial instruments                | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
|   | 12,556                        | 15,338                       | 31,390                          | 30,988                          | 26,169                         | 26,208                         | 26,349                         | 25,962                         | 30,663                         | 24,629                         | 28,760                         |
| <b>TOTAL LIABILITIES</b>                        | <b>18,089</b>                 | <b>37,063</b>                | <b>39,462</b>                   | <b>37,663</b>                   | <b>35,940</b>                  | <b>35,851</b>                  | <b>35,496</b>                  | <b>35,421</b>                  | <b>35,060</b>                  | <b>35,347</b>                  | <b>39,648</b>                  |
| <b>EQUITY</b>                                   |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Retained earnings                               | 219,202                       | 219,951                      | 230,224                         | 230,035                         | 231,361                        | 228,480                        | 224,932                        | 222,110                        | 219,901                        | 216,959                        | 214,297                        |
| Special Funds                                   | 8,746                         | 8,952                        | 8,656                           | 9,090                           | 9,580                          | 10,573                         | 11,507                         | 12,519                         | 13,617                         | 14,530                         | 14,629                         |
| Trusts Bequests and Other Reserves              | 669                           | 515                          | 525                             | 536                             | 547                            | 558                            | 569                            | 580                            | 592                            | 604                            | 616                            |
| Revaluation reserve                             | 104,630                       | 84,908                       | 108,668                         | 108,668                         | 108,668                        | 133,785                        | 133,785                        | 133,785                        | 160,424                        | 160,424                        | 160,424                        |
| <b>Total equity attributable to the Council</b> | <b>333,247</b>                | <b>314,326</b>               | <b>348,073</b>                  | <b>348,329</b>                  | <b>350,156</b>                 | <b>373,396</b>                 | <b>370,793</b>                 | <b>368,994</b>                 | <b>394,534</b>                 | <b>392,517</b>                 | <b>389,966</b>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>             | <b>351,336</b>                | <b>351,389</b>               | <b>387,535</b>                  | <b>385,992</b>                  | <b>386,096</b>                 | <b>409,247</b>                 | <b>406,289</b>                 | <b>404,415</b>                 | <b>429,594</b>                 | <b>427,864</b>                 | <b>429,614</b>                 |

\* includes Council's investment in New Zealand Local Government Insurance Corporation Limited

**note:** refer above comments under 'forecast movement in equity' for explanation why 'Revaluation reserve' has a smaller balance in 2012/2013 proposed budget compared to 2011/2012 current budget.

# [7] Forecast cashflow

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Receipts from rates revenue  | 12,695                        | 13,427                       | 14,154                          | 14,660                          | 15,265                         | 15,784                         | 16,312                         | 16,856                         | 17,428                         | 17,962                         | 18,511                         |
| Interest received  | 443                           | 646                          | 487                             | 581                             | 603                            | 627                            | 659                            | 693                            | 734                            | 773                            | 788                            |
| Dividends received   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Receipts from other revenue  | 13,916                        | 13,413                       | 20,306                          | 13,732                          | 14,170                         | 11,046                         | 10,760                         | 11,369                         | 11,603                         | 12,061                         | 12,184                         |
| Payments to suppliers and employees  | ( 14,075)                     | ( 15,051)                    | ( 15,840)                       | ( 16,218)                       | ( 16,872)                      | ( 17,372)                      | ( 17,914)                      | ( 18,464)                      | ( 19,047)                      | ( 19,611)                      | ( 20,258)                      |
| Interest paid  | ( 842)                        | ( 1,251)                     | ( 2,328)                        | ( 2,312)                        | ( 2,284)                       | ( 2,260)                       | ( 2,252)                       | ( 2,242)                       | ( 2,227)                       | ( 2,219)                       | ( 2,516)                       |
| Income tax paid (refund)   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Goods and services tax (net)   | -                             | 723                          | ( 448)                          | ( 109)                          | ( 23)                          | ( 15)                          | 2                              | ( 9)                           | ( 17)                          | 15                             | 111                            |
| <b>Net cash from operating activities</b>                                    | <b>12,137</b>                 | <b>11,907</b>                | <b>16,331</b>                   | <b>10,334</b>                   | <b>10,859</b>                  | <b>7,810</b>                   | <b>7,567</b>                   | <b>8,203</b>                   | <b>8,474</b>                   | <b>8,981</b>                   | <b>8,820</b>                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Proceeds from sale of property, plant and equipment                          | 338                           | 180                          | 845                             | 1,147                           | 880                            | 913                            | 280                            | 259                            | 923                            | 30                             | 30                             |
| Proceeds from investments  | 13,699                        | 17,107                       | 17,379                          | 17,334                          | 18,787                         | 19,487                         | 21,690                         | 22,303                         | 24,867                         | 25,215                         | 26,410                         |
| Purchase of property, plant and equipment                                    | ( 14,892)                     | ( 30,628)                    | ( 20,767)                       | ( 10,753)                       | ( 10,940)                      | ( 7,378)                       | ( 6,904)                       | ( 7,327)                       | ( 7,675)                       | ( 8,118)                       | ( 12,085)                      |
| Acquisition of investments   | ( 12,188)                     | ( 17,456)                    | ( 17,038)                       | ( 17,688)                       | ( 18,419)                      | ( 19,885)                      | ( 21,265)                      | ( 22,758)                      | ( 24,379)                      | ( 25,730)                      | ( 25,892)                      |
| <b>Net cash from investing activities</b>                                    | <b>( 13,043)</b>              | <b>( 30,797)</b>             | <b>( 19,581)</b>                | <b>( 9,960)</b>                 | <b>( 9,692)</b>                | <b>( 6,863)</b>                | <b>( 6,199)</b>                | <b>( 7,523)</b>                | <b>( 6,264)</b>                | <b>( 8,603)</b>                | <b>( 11,537)</b>               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Proceeds from borrowings   | 1,363                         | 17,667                       | 17,469                          | 923                             | 983                            | 5,622                          | 5,670                          | 5,451                          | 5,342                          | 803                            | 11,000                         |
| Repayment of borrowings  | ( 466)                        | ( 357)                       | ( 17,329)                       | ( 1,437)                        | ( 1,344)                       | ( 5,822)                       | ( 5,603)                       | ( 5,551)                       | ( 5,861)                       | ( 665)                         | ( 6,860)                       |
| <b>Net cash from financing activities</b>                                    | <b>897</b>                    | <b>17,310</b>                | <b>140</b>                      | <b>( 514)</b>                   | <b>( 361)</b>                  | <b>( 200)</b>                  | <b>67</b>                      | <b>( 100)</b>                  | <b>( 519)</b>                  | <b>138</b>                     | <b>4,140</b>                   |
| <b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b> | <b>( 9)</b>                   | <b>( 1,580)</b>              | <b>( 3,110)</b>                 | <b>( 140)</b>                   | <b>806</b>                     | <b>747</b>                     | <b>1,435</b>                   | <b>580</b>                     | <b>1,691</b>                   | <b>516</b>                     | <b>1,423</b>                   |
| Cash, cash equivalents and bank overdrafts at the beginning of the year      | 7,216                         | 7,207                        | 5,627                           | 2,517                           | 2,377                          | 3,183                          | 3,930                          | 5,365                          | 5,945                          | 7,636                          | 8,152                          |
| <b>Cash, cash equivalents and bank overdrafts at the end of the year</b>     | <b>7,207</b>                  | <b>5,627</b>                 | <b>2,517</b>                    | <b>2,377</b>                    | <b>3,183</b>                   | <b>3,930</b>                   | <b>5,365</b>                   | <b>5,945</b>                   | <b>7,636</b>                   | <b>8,152</b>                   | <b>9,575</b>                   |

# [8] Notes to the forecast financial statements

## [1] Budgeted rates revenue

|   | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>GENERAL RATES</b>                          |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General Rates - Uniform Annual General Charge | 2,458                         | 2,616                        | 2,738                           | 2,858                           | 3,082                          | 3,160                          | 3,246                          | 3,340                          | 3,426                          | 3,535                          | 3,628                          |
| General Rates - set on land value             | 5,511                         | 5,543                        | 5,761                           | 5,945                           | 6,039                          | 6,278                          | 6,527                          | 6,772                          | 7,024                          | 7,267                          | 7,502                          |
| <b>TARGETED RATES</b>                         |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| District Promotion                            | 209                           | 224                          | 229                             | 233                             | 238                            | 242                            | 247                            | 252                            | 257                            | 262                            | 267                            |
| 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                         | 1,506                        | 1,658                           | 1,718                           | 1,844                          | 1,879                          | 1,936                          | 1,996                          | 2,078                          | 2,097                          | 2,180                          |
| Water Meter Rates                             | 328                           | 338                          | 350                             | 362                             | 375                            | 388                            | 401                            | 416                            | 430                            | 445                            | 461                            |
| Sewerage Collection                           | 1,749                         | 2,012                        | 2,182                           | 2,251                           | 2,354                          | 2,452                          | 2,520                          | 2,596                          | 2,677                          | 2,765                          | 2,825                          |
| <b>PENALTIES</b>                              |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Rate Penalties                                | 130                           | 138                          | 143                             | 147                             | 151                            | 156                            | 160                            | 165                            | 170                            | 175                            | 181                            |
| <b>Total rates revenue</b>                    | <b>12,752</b>                 | <b>13,477</b>                | <b>14,200</b>                   | <b>14,693</b>                   | <b>15,303</b>                  | <b>15,818</b>                  | <b>16,345</b>                  | <b>16,891</b>                  | <b>17,464</b>                  | <b>17,997</b>                  | <b>18,546</b>                  |
| <b>RATES REMITTED ARE AS FOLLOWS:</b>         |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Rates on land where GDC is the ratepayer      | 298                           | 315                          | 332                             | 344                             | 358                            | 370                            | 382                            | 395                            | 408                            | 420                            | 433                            |
| Rate discounts                                | 29                            | 38                           | 40                              | 41                              | 42                             | 43                             | 44                             | 46                             | 47                             | 49                             | 50                             |
| Rates remitted per Council policy             | 31                            | 30                           | 31                              | 32                              | 33                             | 34                             | 35                             | 36                             | 37                             | 38                             | 39                             |

**[2] Budgeted other revenue**

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| User charges and miscellaneous         | 2,428                         | 2,728                        | 2,925                           | 2,961                           | 3,449                          | 3,544                          | 3,622                          | 3,689                          | 3,808                          | 3,958                          | 4,251                          |
| Regulatory income                      | 1,321                         | 1,359                        | 1,402                           | 1,514                           | 1,562                          | 1,610                          | 1,661                          | 1,713                          | 1,766                          | 1,821                          | 1,878                          |
| New Zealand Transport Agency subsidies | 4,151                         | 3,953                        | 4,172                           | 4,458                           | 7,712                          | 4,644                          | 4,763                          | 5,426                          | 5,389                          | 5,694                          | 5,390                          |
| Other subsidies and grants             | 6,234                         | 5,205                        | 13,127                          | 3,399                           | 1,446                          | 518                            | 519                            | 519                            | 521                            | 521                            | 524                            |
| Interest received                      | 408                           | 695                          | 456                             | 599                             | 608                            | 631                            | 666                            | 700                            | 742                            | 781                            | 791                            |
| Dividends                              | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| Financial contributions                | 85                            | 56                           | 58                              | 86                              | 88                             | 104                            | 138                            | 145                            | 166                            | 160                            | 166                            |
| <b>Total other income</b>              | <b>14,627</b>                 | <b>13,996</b>                | <b>22,140</b>                   | <b>13,017</b>                   | <b>14,865</b>                  | <b>11,051</b>                  | <b>11,369</b>                  | <b>12,192</b>                  | <b>12,392</b>                  | <b>12,935</b>                  | <b>13,000</b>                  |

**[3] Other gains/(losses)**

|   | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net gain (loss) of non current assets held for sale   | 150                           | 10                           | 34                              | 41                              | 28                             | 39                             | 5                              | 6                              | 33                             | 2                              | 2                              |
| Net gain (loss) on sale of property plant & equipment | 50                            | 56                           | 305                             | 366                             | 251                            | 349                            | 103                            | 112                            | 619                            | 30                             | 31                             |
| Assets Vested   | 84                            | 86                           | 89                              | 92                              | 95                             | 97                             | 100                            | 103                            | 106                            | 110                            | 113                            |
| <b>Total other gains/(losses)</b>                     | <b>284</b>                    | <b>152</b>                   | <b>428</b>                      | <b>499</b>                      | <b>374</b>                     | <b>485</b>                     | <b>208</b>                     | <b>221</b>                     | <b>758</b>                     | <b>142</b>                     | <b>146</b>                     |

**[4] Budgeted income by activity**

|   | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land transport                                | 6,875                                | 7,070                        | 7,071                           | 7,556                           | 11,782                         | 7,962                          | 8,181                          | 8,985                          | 9,131                          | 9,619                          | 9,374                          |
| Stormwater                                    | 645                                  | 804                          | 828                             | 871                             | 914                            | 964                            | 987                            | 1,006                          | 1,046                          | 1,064                          | 1,122                          |
| Wastewater                                    | 4,580                                | 4,898                        | 8,227                           | 2,345                           | 2,450                          | 2,565                          | 2,666                          | 2,749                          | 2,852                          | 2,933                          | 3,000                          |
| Water Supply                                  | 2,204                                | 1,857                        | 2,714                           | 2,578                           | 2,233                          | 2,282                          | 2,352                          | 2,428                          | 2,524                          | 2,559                          | 2,658                          |
| Solid waste management                        | 1,693                                | 2,002                        | 2,071                           | 2,094                           | 2,167                          | 2,239                          | 2,315                          | 2,393                          | 2,474                          | 2,558                          | 2,926                          |
| Emergency management                          | 195                                  | 194                          | 219                             | 214                             | 229                            | 231                            | 246                            | 244                            | 247                            | 250                            | 260                            |
| Environmental services                        | 2,123                                | 2,061                        | 2,161                           | 2,272                           | 2,336                          | 2,381                          | 2,466                          | 2,565                          | 2,619                          | 2,673                          | 2,739                          |
| Other transport                               | 738                                  | 990                          | 836                             | 823                             | 746                            | 903                            | 796                            | 842                            | 1,369                          | 846                            | 864                            |
| Property and housing                          | 986                                  | 1,059                        | 1,225                           | 1,363                           | 1,357                          | 1,351                          | 1,252                          | 1,265                          | 1,299                          | 1,265                          | 1,298                          |
| Community facilities and events               | 5,739                                | 4,765                        | 9,450                           | 6,066                           | 4,217                          | 4,271                          | 4,415                          | 4,534                          | 4,649                          | 4,784                          | 4,908                          |
| Democracy and administration                  | 7,116                                | 7,400                        | 7,724                           | 7,971                           | 8,329                          | 8,647                          | 8,883                          | 9,110                          | 9,385                          | 9,740                          | 9,952                          |
| <b>Total activity income</b>                  | <b>32,894</b>                        | <b>33,100</b>                | <b>42,526</b>                   | <b>34,153</b>                   | <b>36,760</b>                  | <b>33,796</b>                  | <b>34,559</b>                  | <b>36,121</b>                  | <b>37,595</b>                  | <b>38,291</b>                  | <b>39,101</b>                  |
| less Internal charges and overheads recovered | 5,231                                | 5,475                        | 5,758                           | 5,944                           | 6,218                          | 6,442                          | 6,637                          | 6,817                          | 6,981                          | 7,217                          | 7,409                          |
| <b>Total Income</b>                           | <b>27,663</b>                        | <b>27,625</b>                | <b>36,768</b>                   | <b>28,209</b>                   | <b>30,542</b>                  | <b>27,354</b>                  | <b>27,922</b>                  | <b>29,304</b>                  | <b>30,614</b>                  | <b>31,074</b>                  | <b>31,692</b>                  |

**[5] Budgeted expenditure by activity**

|   | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land transport                                | 7,278                                | 7,117                        | 7,260                           | 7,776                           | 7,873                          | 8,025                          | 8,579                          | 8,698                          | 8,822                          | 9,427                          | 9,560                          |
| Stormwater                                    | 1,004                                | 1,173                        | 1,193                           | 1,279                           | 1,300                          | 1,332                          | 1,406                          | 1,409                          | 1,423                          | 1,508                          | 1,542                          |
| Wastewater                                    | 1,731                                | 1,742                        | 3,043                           | 3,219                           | 3,260                          | 3,338                          | 3,434                          | 3,472                          | 3,524                          | 3,656                          | 3,681                          |
| Water Supply                                  | 1,749                                | 1,905                        | 2,055                           | 2,222                           | 2,314                          | 2,321                          | 2,403                          | 2,448                          | 2,520                          | 2,598                          | 2,678                          |
| Solid waste management                        | 1,651                                | 1,975                        | 2,016                           | 2,055                           | 2,093                          | 2,152                          | 2,217                          | 2,283                          | 2,358                          | 2,436                          | 2,960                          |
| Emergency management                          | 192                                  | 192                          | 207                             | 221                             | 234                            | 238                            | 245                            | 250                            | 257                            | 264                            | 279                            |
| Environmental services                        | 2,151                                | 2,089                        | 2,191                           | 2,304                           | 2,372                          | 2,418                          | 2,505                          | 2,607                          | 2,664                          | 2,714                          | 2,792                          |
| Other transport                               | 1,157                                | 1,159                        | 1,178                           | 1,218                           | 1,259                          | 1,307                          | 1,371                          | 1,432                          | 1,468                          | 1,510                          | 1,575                          |
| Property and housing                          | 1,161                                | 1,284                        | 1,340                           | 1,363                           | 1,315                          | 1,305                          | 1,384                          | 1,391                          | 1,358                          | 1,399                          | 1,478                          |
| Community facilities and events               | 3,400                                | 4,070                        | 4,569                           | 4,640                           | 4,969                          | 4,995                          | 5,178                          | 5,295                          | 5,410                          | 5,616                          | 5,727                          |
| Democracy and administration                  | 6,905                                | 7,002                        | 7,487                           | 7,600                           | 7,944                          | 8,242                          | 8,440                          | 8,635                          | 8,890                          | 9,180                          | 9,380                          |
| <b>Total activity expenditure</b>             | <b>28,379</b>                        | <b>29,708</b>                | <b>32,539</b>                   | <b>33,897</b>                   | <b>34,933</b>                  | <b>35,673</b>                  | <b>37,162</b>                  | <b>37,920</b>                  | <b>38,694</b>                  | <b>40,308</b>                  | <b>41,652</b>                  |
| less Internal charges and overheads recovered | 5,231                                | 5,475                        | 5,758                           | 5,944                           | 6,218                          | 6,442                          | 6,637                          | 6,817                          | 6,981                          | 7,217                          | 7,409                          |
| <b>Total Expenditure</b>                      | <b>23,148</b>                        | <b>24,233</b>                | <b>26,781</b>                   | <b>27,953</b>                   | <b>28,715</b>                  | <b>29,231</b>                  | <b>30,525</b>                  | <b>31,103</b>                  | <b>31,713</b>                  | <b>33,091</b>                  | <b>34,243</b>                  |



**[6] Depreciation and amortisation by activity**

|  | current budget<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land transport                             | 4,467                                | 4,353                        | 4,368                           | 4,785                           | 4,840                          | 4,890                          | 5,337                          | 5,347                          | 5,357                          | 5,846                          | 5,857                          |
| Stormwater                                 | 556                                  | 663                          | 663                             | 725                             | 725                            | 726                            | 794                            | 794                            | 795                            | 868                            | 869                            |
| Wastewater                                 | 890                                  | 784                          | 1,001                           | 1,104                           | 1,105                          | 1,105                          | 1,167                          | 1,168                          | 1,168                          | 1,236                          | 1,236                          |
| Water Supply                               | 447                                  | 541                          | 576                             | 642                             | 647                            | 648                            | 704                            | 705                            | 705                            | 767                            | 767                            |
| Solid waste management                     | 200                                  | 111                          | 113                             | 115                             | 117                            | 119                            | 122                            | 124                            | 126                            | 129                            | 288                            |
| Emergency management                       | 8                                    | 7                            | 15                              | 20                              | 22                             | 25                             | 26                             | 27                             | 28                             | 29                             | 29                             |
| Environmental services                     | 48                                   | 37                           | 38                              | 40                              | 42                             | 46                             | 47                             | 49                             | 51                             | 56                             | 57                             |
| Other transport                            | 399                                  | 276                          | 276                             | 281                             | 281                            | 281                            | 287                            | 287                            | 287                            | 294                            | 294                            |
| Property and housing                       | 252                                  | 208                          | 223                             | 240                             | 240                            | 240                            | 260                            | 260                            | 260                            | 281                            | 281                            |
| Community facilities and events            | 609                                  | 749                          | 847                             | 1,029                           | 1,070                          | 1,043                          | 1,124                          | 1,136                          | 1,148                          | 1,237                          | 1,250                          |
| Democracy and administration               | 356                                  | 306                          | 400                             | 406                             | 415                            | 423                            | 433                            | 441                            | 451                            | 459                            | 471                            |
| <b>Total depreciation and amortisation</b> | <b>8,232</b>                         | <b>8,035</b>                 | <b>8,520</b>                    | <b>9,387</b>                    | <b>9,504</b>                   | <b>9,546</b>                   | <b>10,301</b>                  | <b>10,338</b>                  | <b>10,376</b>                  | <b>11,202</b>                  | <b>11,399</b>                  |

# [9] Summary of significant accounting policies

## [1] Reporting entity

Grey District Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

Council 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 28 June 2012.

## [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.

## [3] Accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cashflows for Council have been applied:

### Revenue

Rates Revenue is recognised by Council as being income on the due date of each instalment.

Water billing revenue is recognised on an accrual basis.

New Zealand transport Agency (formerly Land Transport New Zealand) financial assistance is recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council — with or without conditions — are recognised as revenue when control over the assets is obtained.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Vested Asset Revenue is recognised when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured 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 surplus/deficit.

### **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.

### **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 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 surplus/deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### **Leases**

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.

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.

### **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.

### **Financial assets**

Council classifies its financial assets into the following three 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 surplus/deficit in which case the transaction costs are recognised in the surplus/deficit.

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 surplus/deficit 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:

- 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 surplus/deficit. Loans and receivables are classified as “trade and other receivables” in the balance sheet.

- 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 surplus/deficit.

Investments in this category include fixed term deposits and bonds.

- Financial assets at fair value through the surplus or deficit

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 re-measurement are recognised in the surplus/deficit. 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.

- Financial assets at fair value through other comprehensive income are those that are not 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 other comprehensive income except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be reclassified and recognised in surplus/deficit even though the asset has not been derecognised.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

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 surplus/deficit.

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.

### Accounts receivable

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.

### Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted, when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

## 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.

## 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.

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.

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 surplus/deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

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.

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 - 50      | 2.0 – 2.5   |
| - Fit Out                            | Straight line       | 15           | 6.67        |
| - Services                           | Straight line       | 15 - 30      | 3.33 – 6.67 |
| - Sundry (e.g. car parking)          | Straight line       | 10           | 10          |
| Aerodrome                            | Straight line       | 10 - 75      | 1.33 - 10   |
| 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        |
| 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     |

| Asset Class                           | Depreciation Method | Life (years) | %           |
|---------------------------------------|---------------------|--------------|-------------|
| - Pavement structure – unsealed       | Straight line       | 3 – 22       | 4.5 – 33    |
| - Pavement surfacing                  | Straight line       | 8 – 16       | 6.25 – 12.5 |
| - Kerb and channelling                | 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 catch pits   | 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.

#### 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.

#### 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 |
|------------------------|-----------------------------|
| <b>Fixed assets</b>    | <b>Valuation basis</b>      |
| 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   | Fair value                  |
| Sportsfields and parks | Deemed Cost                 |
| Heritage assets        | Deemed Cost                 |

#### 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 surplus/deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus/deficit will be recognised first in the surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive income.

#### 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.

## 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 surplus/deficit.

## 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 asset's ability to generate net cash inflows and where the Council 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 surplus/deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/deficit.

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 surplus/deficit, a reversal of the impairment loss is also recognised in the surplus/deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus/deficit.

## Employee benefits

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.

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 5.0% 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.

## 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.

landfill post closure costs

Council has a legal obligation under the Resource Consent to provide on-going 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 6% which represents the risk free discount rate.

financial guarantees

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## 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.

## 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.

## 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.

## 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.

## Critical accounting estimates and assumptions

Please refer to PART E:[2] Key assumptions applied in the preparation of this plan, page 144 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:

### 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.

### 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.

### 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.

### 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.

### New standard and interpretation issued and not yet adopted

None

We have covered in detail under the financial strategy (refer PART C: Council's financial strategy , page 33) the activities that contribute to the deficit, the long term implications, and the reasons why Council has decided that it is prudent to accumulate these deficits.

# [10] Funding impact statement and rates required

## [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:

|  | current<br>2011/2012<br>\$000 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|-------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>[A] SOURCES OF OPERATING FUNDING</b>                                  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| General rates, uniform annual general charges, rates penalties           | 8,097                         | 8,297                        | 8,642                           | 8,950                           | 9,272                          | 9,594                          | 9,933                          | 10,277                         | 10,620                         | 10,977                         | 11,311                         |
| Targeted rates (other than a metered rate for water supply)              | 4,325                         | 4,842                        | 5,208                           | 5,381                           | 5,656                          | 5,836                          | 6,011                          | 6,198                          | 6,414                          | 6,575                          | 6,774                          |
| Subsidies and grants for operating purposes                              | 1,887                         | 1,803                        | 2,079                           | 1,923                           | 1,901                          | 1,892                          | 1,954                          | 2,030                          | 2,094                          | 2,166                          | 2,229                          |
| Fees, charges, and metered rates for water supply                        | 3,767                         | 4,047                        | 4,290                           | 4,437                           | 4,975                          | 5,120                          | 5,250                          | 5,369                          | 5,544                          | 5,749                          | 6,103                          |
| Interest and dividends from investments                                  | 429                           | 695                          | 456                             | 599                             | 608                            | 631                            | 666                            | 700                            | 742                            | 781                            | 791                            |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 375                           | 378                          | 388                             | 399                             | 412                            | 423                            | 434                            | 448                            | 460                            | 474                            | 487                            |
| <b>Total operating funding [A]</b>                                       | <b>18,880</b>                 | <b>20,062</b>                | <b>21,063</b>                   | <b>21,689</b>                   | <b>22,824</b>                  | <b>23,496</b>                  | <b>24,248</b>                  | <b>25,022</b>                  | <b>25,874</b>                  | <b>26,722</b>                  | <b>27,695</b>                  |
| <b>[B] APPLICATIONS OF OPERATING FUNDING</b>                             |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Payments to staff and suppliers  | 14,086                        | 14,947                       | 15,933                          | 16,254                          | 16,927                         | 17,425                         | 17,972                         | 18,523                         | 19,110                         | 19,670                         | 20,328                         |
| Finance costs  | 842                           | 1,251                        | 2,328                           | 2,312                           | 2,284                          | 2,260                          | 2,252                          | 2,242                          | 2,227                          | 2,219                          | 2,516                          |
| Other operating funding applications                                     | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total applications of operating funding [B]</b>                       | <b>14,928</b>                 | <b>16,198</b>                | <b>18,261</b>                   | <b>18,566</b>                   | <b>19,211</b>                  | <b>19,685</b>                  | <b>20,224</b>                  | <b>20,765</b>                  | <b>21,337</b>                  | <b>21,889</b>                  | <b>22,844</b>                  |
| <b>Surplus (deficit) of operating funding [A - B]</b>                    | <b>3,952</b>                  | <b>3,864</b>                 | <b>2,802</b>                    | <b>3,123</b>                    | <b>3,613</b>                   | <b>3,811</b>                   | <b>4,024</b>                   | <b>4,257</b>                   | <b>4,537</b>                   | <b>4,833</b>                   | <b>4,851</b>                   |
| <b>[C] SOURCES OF CAPITAL FUNDING</b>                                    |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Subsidies and grants for capital expenditure                             | 8,499                         | 7,355                        | 15,220                          | 5,934                           | 7,257                          | 3,270                          | 3,328                          | 3,915                          | 3,816                          | 4,049                          | 3,685                          |
| Development and financial contributions                                  | 85                            | 56                           | 58                              | 86                              | 88                             | 104                            | 138                            | 145                            | 166                            | 160                            | 166                            |
| Increase (decrease) in debt  | 897                           | 17,310                       | 140                             | ( 514)                          | ( 361)                         | ( 200)                         | 67                             | ( 100)                         | ( 519)                         | 138                            | 4,140                          |
| Gross proceeds from sale of assets                                       | -                             | 180                          | 845                             | 1,147                           | 880                            | 913                            | 280                            | 259                            | 923                            | 30                             | 30                             |
| Lump sum contributions   | -                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Total sources of capital funding [C]</b>                              | <b>9,481</b>                  | <b>24,901</b>                | <b>16,263</b>                   | <b>6,653</b>                    | <b>7,864</b>                   | <b>4,087</b>                   | <b>3,813</b>                   | <b>4,219</b>                   | <b>4,386</b>                   | <b>4,377</b>                   | <b>8,021</b>                   |
| <b>[D] APPLICATION OF CAPITAL FUNDING</b>                                |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| Capital expenditure  |                               |                              |                                 |                                 |                                |                                |                                |                                |                                |                                |                                |
| —to meet additional demand   | -                             | 1,000                        | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| —to improve the level of service   | 9,683                         | 26,787                       | 13,894                          | 3,799                           | 4,944                          | 418                            | 410                            | 772                            | 431                            | 445                            | 5,667                          |
| —to replace existing assets  | 5,177                         | 5,359                        | 5,464                           | 5,523                           | 6,023                          | 6,451                          | 6,426                          | 6,616                          | 7,293                          | 7,737                          | 6,985                          |
| Increase (decrease) in reserves  | ( 1,422)                      | ( 4,374)                     | ( 286)                          | 447                             | 501                            | 1,005                          | 943                            | 1,022                          | 1,108                          | 926                            | 109                            |
| Increase (decrease) of investments                                       | ( 5)                          | ( 7)                         | ( 7)                            | 7                               | 9                              | 24                             | 58                             | 66                             | 91                             | 102                            | 111                            |
| <b>Total applications of capital funding [D]</b>                         | <b>13,433</b>                 | <b>28,765</b>                | <b>19,065</b>                   | <b>9,776</b>                    | <b>11,477</b>                  | <b>7,898</b>                   | <b>7,837</b>                   | <b>8,476</b>                   | <b>8,923</b>                   | <b>9,210</b>                   | <b>12,872</b>                  |
| <b>Surplus (deficit) of capital funding [C - D]</b>                      | <b>( 3,952)</b>               | <b>( 3,864)</b>              | <b>( 2,802)</b>                 | <b>( 3,123)</b>                 | <b>( 3,613)</b>                | <b>( 3,811)</b>                | <b>( 4,024)</b>                | <b>( 4,257)</b>                | <b>( 4,537)</b>                | <b>( 4,833)</b>                | <b>( 4,851)</b>                |
| <b>Funding balance: [A - B] + [C - D]</b>                                | <b>-</b>                      | <b>-</b>                     | <b>-</b>                        | <b>-</b>                        | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       | <b>-</b>                       |

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.

## [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 2009** and will be effective for the 2011/2012 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.

The following sections detail on what factors Council uses to calculate rates, and what the rates to be set per property are for 2011/2012.

### 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

### 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

The Council sets a general rate based on the land value of each rating unit in the District. Council uses a differential system to set its rates, which are based on the use of the property. Council uses a differential system based on:

- Council's assessment on where the relative benefit accrues of the services provided.
- Council's assessment on the ability to pay of each sector.

It is accepted that the above two principles can be mutually exclusive, however Council maintains that the use of differentials delivers an overall fairer rating system than if there were no differentials.

The general rate will be set on a differential basis based on land use as described as follows:<sup>10</sup>

#### 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)

#### 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.

#### rural

All properties in the District greater than or equal to 50,000 square metres (5HA) and used primarily for residential purposes.

#### farming forestry

All properties in the District used primarily for farming and/or forestry purposes.

#### commercial

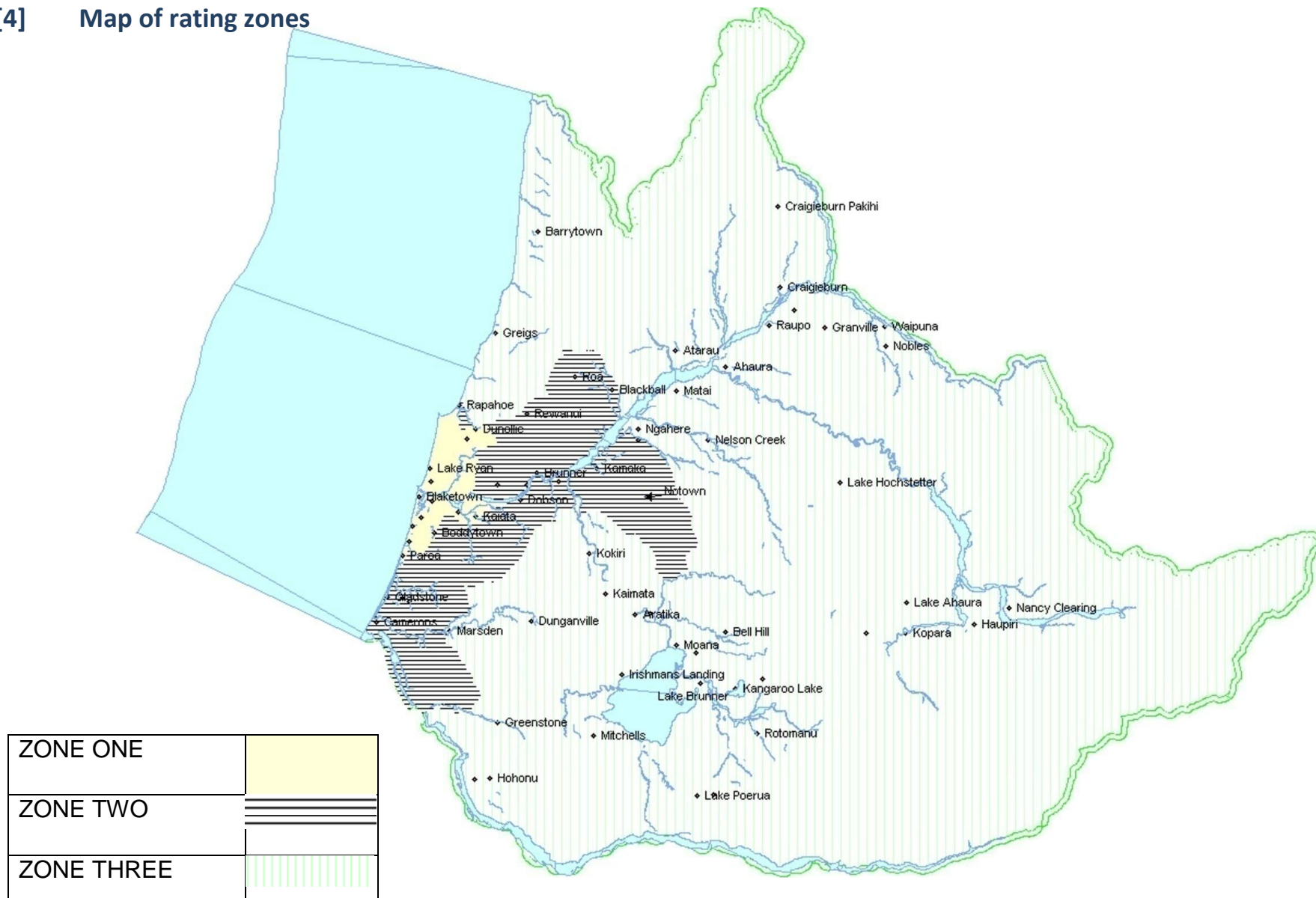
All properties in the District used primarily for commercial and/or industrial purposes and split into the following zones:

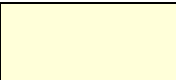

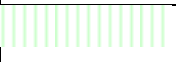
- Commercial Zone ONE (refer below Map of Rating Zones below for location)
- Commercial Zone TWO (refer below Map of Rating Zones below for location)
- Commercial Zone THREE (refer below Map of Rating Zones below for location)

---

<sup>10</sup> Note: Where differing areas of a rating unit are used for different purposes Council will identify and then allocate physically discrete parts to the appropriate differential category; and Council's valuer will determine what portion of overall value is represented by each part

[4] Map of rating zones



|            |   |
|------------|---|
| ZONE ONE   |  |
| ZONE TWO   |  |
| ZONE THREE |  |

## [5] General rating differentials

### 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      | 39.90%             | 3.40%              | 14.00%             | 9.50%             | 3.60%     | 22.00%            | 2.20%             | 1.70%             | 3.70%            |
| Environmental Services  | 50.40%             | 10.80%             | 8.10%              | 12.90%            | 3.40%     | 4.90%             | 1.10%             | 0.70%             | 7.70%            |
| Refuse Disposal Site(s) | 50.30%             | 10.90%             | 8.10%              | 12.50%            | 3.50%     | 4.90%             | 1.00%             | 0.50%             | 8.30%            |
| Roading                 | 30.30%             | 2.60%              | 4.40%              | 5.10%             | 4.20%     | 26.80%            | 3.40%             | 1.70%             | 21.50%           |
| Stormwater              | 69.60%             | 6.30%              | 5.60%              | 5.70%             | 1.00%     | 9.70%             | 1.10%             | 1.00%             |                  |
| Flood Protection        | 61.50%             | 3.35%              | 3.10%              | 6.90%             | 1.90%     | 16.75%            | 1.50%             | 1.00%             | 3.90%            |
| Rural Fire              | 11.80%             | 4.50%              | 4.00%              | 4.50%             | 13.50%    | 1.00%             | 0.60%             | 0.60%             | 59.50%           |

### Rates per dollar of land value payable by each category

The proposed rates for 2012/2013 are (incl. GST):

| Residential - Zone 1 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|----------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL                | 0.009360                   | 0.009380          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Residential - Zone 2 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|----------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL                | 0.005590                   | 0.005600          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Residential - Zone 3 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|----------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL                | 0.004810                   | 0.004820          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Rural Residential Use | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|-----------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL                 | 0.003370                   | 0.003380          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Rural Use | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|-----------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL     | 0.002960                   | 0.002970          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |



| Commercial - Zone 1 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|---------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL               | 0.014740                   | 0.014850          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Commercial - Zone 2 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|---------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL               | 0.006520                   | 0.006530          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Commercial - Zone 3 | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|---------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL               | 0.009910                   | 0.009930          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

| Farming/Forestry | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL            | 0.001360                   | 0.001370          | +4.2%                        | +3.1%                        | +2.1%                       | +3.4%                       | +3.6%                       | +3.5%                       | +3.4%                       | 3.4%                        | 3.1%                        |

## [6] Uniform annual general charge

The Uniform Annual General Charge is charged at 1 full charge per 'separately used or inhabited part of a rating unit'.

The proposed rate for 2012/2013 is:

| UAGC | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Rate | 382.60                     | 408.20            | 425.30                       | 442.30                       | 475.30                      | 485.30                      | 496.30                      | 509.00                      | 519.90                      | 534.30                      | 546.10                      |

Includes GST

## [7] Targeted rates

### Policy on accepting lump sum contributions

Council appreciates that the benefits of capital expenditure are more appropriately spread over the life of the period the benefit is available. On this basis the preference is to loan fund the expenditure, and meet the required loan repayments through revenue such as targeted rates. However Council will be consulting with the Dobson/Taylorville/Kaiata communities on the options of collecting a lump sum contribution as is available under the rating legislation, to fund the capital costs of the proposed new sewerage scheme.

#### 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.

### 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 proposed rates for 2012/2013 are:

| WASTEWATER (SEWERAGE)   | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|---|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Blackball   | 505.00                     | 515.10            | 525.40                       | 535.90                       | 546.60                      | 557.50                      | 568.70                      | 580.10                      | 591.70                      | 603.50                      | 615.60                      |
| Greymouth   | 501.70                     | 533.30            | 558.80                       | 584.00                       | 602.00                      | 622.70                      | 635.10                      | 652.30                      | 669.50                      | 689.20                      | 705.00                      |
| Karoro  | 245.40                     | 282.30            | 290.90                       | 292.30                       | 301.50                      | 313.90                      | 317.90                      | 326.50                      | 330.70                      | 341.30                      | 349.10                      |
| Runanga   | 180.60                     | 220.60            | 225.00                       | 229.50                       | 256.80                      | 297.90                      | 347.80                      | 371.70                      | 412.10                      | 441.10                      | 446.10                      |
| South Beach/Paroa   | 209.50                     | 248.40            | 256.70                       | 257.80                       | 266.60                      | 278.70                      | 282.30                      | 290.60                      | 294.40                      | 304.60                      | 312.10                      |
| Moana   | 212.50                     | 221.70            | 232.60                       | 237.30                       | 242.00                      | 248.60                      | 253.00                      | 262.10                      | 271.60                      | 282.80                      | 289.90                      |
| Dobson/Taylorville/Kaiata (serviced properties in proposed scheme area) | -                          | 523.00            | 933.80                       | 952.90                       | 973.50                      | 997.50                      | 1,013.30                    | 1,033.90                    | 1,056.70                    | 1,079.70                    | 1,098.90                    |
| Te-Kinga  | 586.60                     | 647.50            | 672.60                       | 697.30                       | 718.80                      | 743.30                      | 758.10                      | 778.70                      | 798.70                      | 822.10                      | 841.30                      |
| South Beach Loan  | 432.40                     | 432.40            | 432.40                       | 432.40                       | 432.40                      | 432.40                      | 432.40                      | 432.40                      | 432.40                      | 432.40                      | 432.40                      |

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.*

## 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 proposed rates for 2012/2013 are:

| WATER                  | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|------------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Greymouth              | 364.50                     | 366.40            | 380.20                       | 387.20                       | 412.60                      | 417.40                      | 427.20                      | 439.40                      | 457.10                      | 460.40                      | 482.60                      |
| Runanga                | 245.20                     | 250.10            | 278.00                       | 307.40                       | 355.50                      | 379.10                      | 407.60                      | 428.70                      | 448.00                      | 452.90                      | 462.00                      |
| Dobson/Taylorville     | 333.90                     | 340.60            | 437.50                       | 453.60                       | 480.60                      | 488.10                      | 500.80                      | 514.80                      | 535.70                      | 542.20                      | 566.60                      |
| Stillwater             | 428.10                     | 436.70            | 437.80                       | 729.20                       | 759.50                      | 766.20                      | 779.10                      | 793.50                      | 816.00                      | 820.90                      | 847.30                      |
| Blackball              | 433.60                     | 442.30            | 451.10                       | 460.10                       | 469.30                      | 478.70                      | 488.30                      | 498.10                      | 508.10                      | 518.30                      | 522.90                      |
| South Beach Water Loan | 151.30                     | 151.30            | 151.30                       | 151.30                       | 151.30                      | 151.30                      | 151.30                      | 151.30                      | 151.30                      | 151.30                      | 151.30                      |

Includes GST

## 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 300m<sup>3</sup> per annum.

The proposed

rate for 2012/2013 is: (for all water consumed in excess of 300m<sup>3</sup>)

| METERED WATER | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|---------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Rate          | 1.10                       | 1.13              | 1.16                         | 1.19                         | 1.23                        | 1.27                        | 1.31                        | 1.35                        | 1.39                        | 1.43                        | 1.47                        |

Includes GST

## 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 proposed rates for 2012/2013 are:

| REFUSE COLLECTION                                      | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|--|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Residential  | 152.90                     | 182.50            | 188.00                       | 193.60                       | 199.40                      | 205.40                      | 211.60                      | 217.90                      | 224.40                      | 231.10                      | 238.00                      |
| Residential (within kerbside recycling area)           | 187.90                     | 233.50            | 240.50                       | 247.70                       | 255.10                      | 262.80                      | 270.70                      | 278.80                      | 287.20                      | 295.80                      | 304.70                      |
| Commercial - Twice Weekly Collection (where available) | 305.80                     | 467.00            | 481.00                       | 495.40                       | 510.30                      | 525.60                      | 541.40                      | 557.60                      | 574.30                      | 591.50                      | 609.20                      |

Includes GST

## District promotion rate

The Council sets a targeted rate to fund promotion and marketing opportunities in the District. This is set on commercial and industrial properties. The proposed rate per dollar of **Capital Value** is:

| DISTRICT PROMOTION | current rates<br>2011/2012 | rate<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 | forecast rates<br>2015/2016 | forecast rates<br>2016/2017 | forecast rates<br>2017/2018 | forecast rates<br>2018/2019 | forecast rates<br>2019/2020 | forecast rates<br>2020/2021 | forecast rates<br>2021/2022 |
|--------------------|----------------------------|-------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Rate               | 0.000862                   | 0.000870          | +2%                          | +2%                          | +2%                         | +2%                         | +2%                         | +2%                         | +2%                         | +2%                         | +2%                         |

Includes GST

### District promotion rate – bed and breakfast operators

The Council sets a targeted rate to fund promotion and marketing opportunities in the District on the basis of a targeted rate per separately used or inhabited part of a rating unit for which is operating as a **Bed and Breakfast**. The proposed rate for 2012/2013 is:

| DISTRICT PROMOTION                  | current rates | rate      | estimated rates | estimated rates | forecast rates | forecast rates | forecast rates | forecast rates | forecast rates | forecast rates | forecast rates |
|-------------------------------------|---------------|-----------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bed and Breakfast/Homestay/Farmstay | 2011/2012     | 2012/2013 | 2013/2014       | 2014/2015       | 2015/2016      | 2016/2017      | 2017/2018      | 2018/2019      | 2019/2020      | 2020/2021      | 2021/2022      |
| Rate                                | 155.70        | 158.80    | 162.00          | 165.20          | 168.50         | 171.90         | 175.30         | 178.80         | 182.40         | 186.00         | 189.70         |

**[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**

|              | <b>Due Date and Payable</b> | <b>FINAL Date for payment</b> |
|--------------|-----------------------------|-------------------------------|
| 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**

| <b>CURRENT PENALTIES</b> | <b>PENALTY DATE</b> | <b>Penalty incurred on current instalment balance outstanding</b> |
|--------------------------|---------------------|---|
| Instalment 1 Penalty     | 01 September        | 10%   |
| Instalment 2 Penalty     | 01 December         | 10%   |
| Instalment 3 Penalty     | 01 March            | 10%   |
| Instalment 4 Penalty     | 01 June             | 10%   |

| <b>WATER METER RATE PENALTIES</b> | <b>PENALTY DATE</b>                              | <b>Penalty incurred on TOTAL balance outstanding</b> |
|-----------------------------------|--|--|
| Instalment Penalty                | 20 <sup>th</sup> of month following invoice date | 10%  |

| <b>ARREARS PENALTIES</b> | <b>PENALTY DATE</b> | <b>Penalty incurred on TOTAL balance outstanding</b> |
|--------------------------|---------------------|--|
| Annual Penalty           | 01 July             | 10%  |

**[11] Rate remission and postponement policies**

Full copies of Council's Rates Remission and Postponement Policies are available on request or from the website [www.greycdc.govt.nz](http://www.greycdc.govt.nz).

## [12] Sample rate assessments based on this long term plan

The Grey District has many varied types of rates assessments, based on:

- We use a differential rating system where the rates calculated on land value vary based on property use (e.g. residential vs. commercial)
- Targeted rates for water and sewerage vary from township to township

Please use these sample rates assessments as an indication of what changes to rates are required to meet the funding requirements of this plan. Please refer to the land value used on the general rates lines to reference how it may compare to your property. To search a specific property please visit [www.greycdc.govt.nz/ltp](http://www.greycdc.govt.nz/ltp).

### Greymouth residential - \$110,000 land value

| Residential - Zone 1          |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| RES1-Community Services       | 110,000 | 214.50                        | 232.10                         | 239.57                          | 243.32                          |
| RES1-Environmental Services   | 110,000 | 196.90                        | 181.50                         | 187.34                          | 190.28                          |
| RES1-Refuse Disposal Site(s)  | 110,000 | 72.60                         | 41.80                          | 43.15                           | 43.83                           |
| RES1-Roading                  | 110,000 | 343.20                        | 360.80                         | 372.41                          | 378.25                          |
| RES1-Stormwater               | 110,000 | 111.10                        | 128.70                         | 132.84                          | 134.92                          |
| RES1-Flood Protection         | 110,000 | 86.90                         | 82.50                          | 85.16                           | 86.49                           |
| RES1-Rural Fire               | 110,000 | 4.40                          | 4.40                           | 4.54                            | 4.61                            |
| Greymouth Sewerage            | 1       | 501.70                        | 533.30                         | 558.80                          | 584.00                          |
| Greymouth Water               | 1       | 364.50                        | 366.40                         | 380.20                          | 387.20                          |
| Refuse/Recycling              | 1       | 187.90                        | 233.50                         | 240.50                          | 247.70                          |
|                               |         | <b>2,466.30</b>               | <b>2,573.20</b>                | <b>2,669.81</b>                 | <b>2,742.90</b>                 |

**Greymouth residential - \$98,000 land value**

| Residential - Zone 1          |        | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|--------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1      | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| RES1-Community Services       | 98,000 | 191.10                        | 206.78                         | 213.43                          | 216.77                          |
| RES1-Environmental Services   | 98,000 | 175.42                        | 161.70                         | 166.90                          | 169.52                          |
| RES1-Refuse Disposal Site(s)  | 98,000 | 64.68                         | 37.24                          | 38.44                           | 39.04                           |
| RES1-Roading                  | 98,000 | 305.76                        | 321.44                         | 331.78                          | 336.98                          |
| RES1-Stormwater               | 98,000 | 98.98                         | 114.66                         | 118.35                          | 120.20                          |
| RES1-Flood Protection         | 98,000 | 77.42                         | 73.50                          | 75.87                           | 77.06                           |
| RES1-Rural Fire               | 98,000 | 3.92                          | 3.92                           | 4.05                            | 4.11                            |
| Greymouth Sewerage            | 1      | 501.70                        | 533.30                         | 558.80                          | 584.00                          |
| Greymouth Water               | 1      | 364.50                        | 366.40                         | 380.20                          | 387.20                          |
| Refuse/Recycling              | 1      | 187.90                        | 233.50                         | 240.50                          | 247.70                          |
|                               |        | <b>2,353.98</b>               | <b>2,460.64</b>                | <b>2,553.62</b>                 | <b>2,624.88</b>                 |

**Blaketown residential - \$45,000 land value**

| Residential - Zone 1          |        | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|--------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1      | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| RES1-Community Services       | 45,000 | 87.75                         | 94.95                          | 98.01                           | 99.55                           |
| RES1-Environmental Services   | 45,000 | 80.55                         | 74.25                          | 76.64                           | 77.84                           |
| RES1-Refuse Disposal Site(s)  | 45,000 | 29.70                         | 17.10                          | 17.65                           | 17.93                           |
| RES1-Roading                  | 45,000 | 140.40                        | 147.60                         | 152.35                          | 154.74                          |
| RES1-Stormwater               | 45,000 | 45.45                         | 52.65                          | 54.34                           | 55.19                           |
| RES1-Flood Protection         | 45,000 | 35.55                         | 33.75                          | 34.84                           | 35.39                           |
| RES1-Rural Fire               | 45,000 | 1.80                          | 1.80                           | 1.86                            | 1.89                            |
| Greymouth Sewerage            | 1      | 501.70                        | 533.30                         | 558.80                          | 584.00                          |
| Greymouth Water               | 1      | 364.50                        | 366.40                         | 380.20                          | 387.20                          |
| Refuse/Recycling              | 1      | 187.90                        | 233.50                         | 240.50                          | 247.70                          |
|                               |        | <b>1,857.90</b>               | <b>1,963.50</b>                | <b>2,040.49</b>                 | <b>2,103.73</b>                 |



**Cobden residential - \$42,000 land value**

| Residential - Zone 1          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES1-Community Services       | 42,000 | 81.90                      | 88.62                       | 91.47                        | 92.90                        |
| RES1-Environmental Services   | 42,000 | 75.18                      | 69.30                       | 71.53                        | 72.65                        |
| RES1-Refuse Disposal Site(s)  | 42,000 | 27.72                      | 15.96                       | 16.47                        | 16.73                        |
| RES1-Roading                  | 42,000 | 131.04                     | 137.76                      | 142.19                       | 144.42                       |
| RES1-Stormwater               | 42,000 | 42.42                      | 49.14                       | 50.72                        | 51.51                        |
| RES1-Flood Protection         | 42,000 | 33.18                      | 31.50                       | 32.51                        | 33.02                        |
| RES1-Rural Fire               | 42,000 | 1.68                       | 1.68                        | 1.73                         | 1.76                         |
| Greymouth Sewerage            | 1      | 501.70                     | 533.30                      | 558.80                       | 584.00                       |
| Greymouth Water               | 1      | 364.50                     | 366.40                      | 380.20                       | 387.20                       |
| Refuse/Recycling Collection   | 1      | 187.90                     | 233.50                      | 240.50                       | 247.70                       |
|                               |        | <b>1,829.82</b>            | <b>1,935.36</b>             | <b>2,011.42</b>              | <b>2,074.19</b>              |

**Karoro residential - \$135,000 land value**

| Residential - Zone 1          |         | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|---------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1       | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES1-Community Services       | 135,000 | 263.25                     | 284.85                      | 294.02                       | 298.63                       |
| RES1-Environmental Services   | 135,000 | 241.65                     | 222.75                      | 229.92                       | 233.52                       |
| RES1-Refuse Disposal Site(s)  | 135,000 | 89.10                      | 51.30                       | 52.95                        | 53.78                        |
| RES1-Roading                  | 135,000 | 421.20                     | 442.80                      | 457.05                       | 464.21                       |
| RES1-Stormwater               | 135,000 | 136.35                     | 157.95                      | 163.03                       | 165.59                       |
| RES1-Flood Protection         | 135,000 | 106.65                     | 101.25                      | 104.51                       | 106.15                       |
| RES1-Rural Fire               | 135,000 | 5.40                       | 5.40                        | 5.57                         | 5.66                         |
| Karoro Sewerage               | 1       | 245.40                     | 282.30                      | 290.90                       | 292.30                       |
| Greymouth Water Supply        | 1       | 364.50                     | 366.40                      | 380.20                       | 387.20                       |
| Refuse/Recycling              | 1       | 187.90                     | 233.50                      | 240.50                       | 247.70                       |
|                               |         | <b>2,444.00</b>            | <b>2,556.70</b>             | <b>2,643.95</b>              | <b>2,697.04</b>              |

**Paroa/South Beach residential - \$110,000 land value**

| Residential - Zone 1          |         | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|---------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1       | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES1-Community Services       | 110,000 | 214.50                     | 232.10                      | 239.57                       | 243.32                       |
| RES1-Environmental Services   | 110,000 | 196.90                     | 181.50                      | 187.34                       | 190.28                       |
| RES1-Refuse Disposal Site(s)  | 110,000 | 72.60                      | 41.80                       | 43.15                        | 43.83                        |
| RES1-Roading                  | 110,000 | 343.20                     | 360.80                      | 372.41                       | 378.25                       |
| RES1-Stormwater               | 110,000 | 111.10                     | 128.70                      | 132.84                       | 134.92                       |
| RES1-Flood Protection         | 110,000 | 86.90                      | 82.50                       | 85.16                        | 86.49                        |
| RES1-Rural Fire               | 110,000 | 4.40                       | 4.40                        | 4.54                         | 4.61                         |
| South Beach/Paroa Sewerage    | 1       | 209.50                     | 248.40                      | 256.70                       | 257.80                       |
| Greymouth Water Supply        | 1       | 364.50                     | 366.40                      | 380.20                       | 387.20                       |
| Refuse/Recycling              | 1       | 187.90                     | 233.50                      | 240.50                       | 247.70                       |
|                               |         | <b>2,174.10</b>            | <b>2,288.30</b>             | <b>2,367.71</b>              | <b>2,416.70</b>              |

**Kaiata residential - \$45,000 land value**

| Residential - Zone 1               |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|------------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge      | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES1-Community Services            | 45,000 | 87.75                      | 94.95                       | 98.01                        | 99.55                        |
| RES1-Environmental Services        | 45,000 | 80.55                      | 74.25                       | 76.64                        | 77.84                        |
| RES1-Refuse Disposal Site(s)       | 45,000 | 140.40                     | 17.10                       | 17.65                        | 17.93                        |
| RES1-Roading                       | 45,000 | 29.70                      | 147.60                      | 152.35                       | 154.74                       |
| RES1-Stormwater                    | 45,000 | 45.45                      | 52.65                       | 54.34                        | 55.19                        |
| RES1-Flood Protection              | 45,000 | 35.55                      | 33.75                       | 34.84                        | 35.39                        |
| RES1-Rural Fire                    | 45,000 | 1.80                       | 1.80                        | 1.86                         | 1.89                         |
| Refuse Collection                  | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
| Dobson/Taylorville/Kaiata Sewerage | 1      | -                          | 523.00                      | 933.80                       | 952.90                       |
|                                    |        | <b>956.70</b>              | <b>1,535.80</b>             | <b>1,982.79</b>              | <b>2,031.33</b>              |

**Dobson residential - \$56,000 land value**

| Residential - Zone 2               |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|------------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge      | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES2-Community Services            | 56,000 | 48.16                      | 53.20                       | 54.91                        | 55.77                        |
| RES2-Environmental Services        | 56,000 | 113.68                     | 104.72                      | 108.09                       | 109.78                       |
| RES2-Refuse Disposal Site(s)       | 56,000 | 42.56                      | 24.08                       | 24.85                        | 25.24                        |
| RES2-Roading                       | 56,000 | 63.84                      | 83.44                       | 86.13                        | 87.48                        |
| RES2-Stormwater                    | 56,000 | 27.44                      | 31.36                       | 32.37                        | 32.88                        |
| RES2-Flood Protection              | 56,000 | 12.88                      | 12.32                       | 12.72                        | 12.92                        |
| RES2-Rural Fire                    | 56,000 | 4.48                       | 4.48                        | 4.62                         | 4.69                         |
| Dobson/Taylorville/Kaiata Sewerage | 1      | -                          | 523.00                      | 933.80                       | 952.90                       |
| Dobson/Taylorville Water Supply    | 1      | 333.90                     | 340.60                      | 437.50                       | 453.60                       |
| Refuse Collection                  | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                                    |        | <b>1,182.44</b>            | <b>1,767.90</b>             | <b>2,308.29</b>              | <b>2,371.16</b>              |

**Taylorville residential - \$36,000 land value**

| Residential - Zone 2               |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|------------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge      | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES2-Community Services            | 36,000 | 30.96                      | 34.20                       | 35.30                        | 35.85                        |
| RES2-Environmental Services        | 36,000 | 73.08                      | 67.32                       | 69.49                        | 70.58                        |
| RES2-Refuse Disposal Site(s)       | 36,000 | 27.36                      | 15.48                       | 15.98                        | 16.23                        |
| RES2-Roading                       | 36,000 | 41.04                      | 53.64                       | 55.37                        | 56.24                        |
| RES2-Stormwater                    | 36,000 | 17.64                      | 20.16                       | 20.81                        | 21.14                        |
| RES2-Flood Protection              | 36,000 | 8.28                       | 7.92                        | 8.17                         | 8.30                         |
| RES2-Rural Fire                    | 36,000 | 2.88                       | 2.88                        | 2.97                         | 3.02                         |
| Dobson/Taylorville/Kaiata Sewerage | 1      | -                          | 523.00                      | 933.80                       | 952.90                       |
| Dobson/Taylorville Water Supply    | 1      | 333.90                     | 340.60                      | 437.50                       | 453.60                       |
| Refuse Collection                  | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                                    |        | <b>1,070.64</b>            | <b>1,655.90</b>             | <b>2,192.69</b>              | <b>2,253.76</b>              |

**Runanga residential - \$40,000 land value**

| Residential - Zone 1                          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|---|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge                 | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES1-Community Services                       | 40,000 | 78.00                      | 84.40                       | 87.12                        | 88.49                        |
| RES1-Environmental Services                   | 40,000 | 71.60                      | 66.00                       | 68.12                        | 69.19                        |
| RES1-Refuse Disposal Site(s)                  | 40,000 | 26.40                      | 15.20                       | 15.69                        | 15.94                        |
| RES1-Roading                                  | 40,000 | 124.80                     | 131.20                      | 135.42                       | 137.54                       |
| RES1-Stormwater                               | 40,000 | 40.40                      | 46.80                       | 48.31                        | 49.07                        |
| RES1-Flood Protection                         | 40,000 | 31.60                      | 30.00                       | 30.97                        | 31.46                        |
| RES1-Rural Fire                               | 40,000 | 1.60                       | 1.60                        | 1.65                         | 1.68                         |
| Runanga/Dunollie Sewerage                     | 1      | 180.60                     | 220.60                      | 225.00                       | 229.50                       |
| Runanga/Dunollie/Rapahoe/Coal Ck Water Supply | 1      | 245.20                     | 250.10                      | 278.00                       | 307.40                       |
| Refuse Collection                             | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|   |        | <b>1,335.70</b>            | <b>1,436.60</b>             | <b>1,503.58</b>              | <b>1,566.17</b>              |

**Rapahoe residential - \$120,000 land value**

| Residential - Zone 2                          |         | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|---|---------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge                 | 1       | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES2-Community Services                       | 120,000 | 103.20                     | 114.00                      | 117.67                       | 119.51                       |
| RES2-Environmental Services                   | 120,000 | 243.60                     | 224.40                      | 231.62                       | 235.25                       |
| RES2-Refuse Disposal Site(s)                  | 120,000 | 91.20                      | 51.60                       | 53.26                        | 54.09                        |
| RES2-Roading                                  | 120,000 | 136.80                     | 178.80                      | 184.55                       | 187.44                       |
| RES2-Stormwater                               | 120,000 | 58.80                      | 67.20                       | 69.36                        | 70.45                        |
| RES2-Flood Protection                         | 120,000 | 27.60                      | 26.40                       | 27.25                        | 27.68                        |
| RES2-Rural Fire                               | 120,000 | 9.60                       | 9.60                        | 9.91                         | 10.07                        |
| Runanga/Dunollie/Rapahoe/Coal Ck Water Supply | 1       | 245.20                     | 250.10                      | 278.00                       | 307.40                       |
| Refuse Collection                             | 1       | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|   |         | <b>1,451.50</b>            | <b>1,512.80</b>             | <b>1,584.92</b>              | <b>1,647.79</b>              |

**Rural Residential (Coast Road) - \$170,000 land value**

| Rural Residential - Zone 2    |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| RR-Community Services         | 170,000 | 151.30                        | 163.20                         | 168.45                          | 171.09                          |
| RR-Environmental Services     | 170,000 | 149.60                        | 137.70                         | 142.13                          | 144.36                          |
| RR-Refuse Disposal Site(s)    | 170,000 | 54.40                         | 30.60                          | 31.58                           | 32.07                           |
| RR-Roading                    | 170,000 | 156.40                        | 178.50                         | 184.24                          | 187.13                          |
| RR-Stormwater                 | 170,000 | 27.20                         | 32.30                          | 33.34                           | 33.86                           |
| RR-Flood Protection           | 170,000 | 28.90                         | 27.20                          | 28.08                           | 28.52                           |
| RR-Rural Fire                 | 170,000 | 5.10                          | 5.10                           | 5.26                            | 5.34                            |
| Refuse Collection             | 1       | 152.90                        | 182.50                         | 188.00                          | 193.60                          |
|                               |         | <b>1,108.40</b>               | <b>1,165.30</b>                | <b>1,206.38</b>                 | <b>1,238.27</b>                 |

**Gladstone residential - \$144,000 land value**

| Residential - Zone 2          |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| RES2-Community Services       | 144,000 | 123.84                        | 136.80                         | 141.20                          | 143.41                          |
| RES2-Environmental Services   | 144,000 | 292.32                        | 269.28                         | 277.95                          | 282.31                          |
| RES2-Refuse Disposal Site(s)  | 144,000 | 109.44                        | 61.92                          | 63.91                           | 64.91                           |
| RES2-Roading                  | 144,000 | 164.16                        | 214.56                         | 221.47                          | 224.94                          |
| RES2-Stormwater               | 144,000 | 70.56                         | 80.64                          | 83.24                           | 84.54                           |
| RES2-Flood Protection         | 144,000 | 33.12                         | 31.68                          | 32.70                           | 33.21                           |
| RES2-Rural Fire               | 144,000 | 11.52                         | 11.52                          | 11.89                           | 12.08                           |
| Refuse Collection             | 1       | 152.90                        | 182.50                         | 188.00                          | 193.60                          |
|                               |         | <b>1,340.46</b>               | <b>1,397.10</b>                | <b>1,445.66</b>                 | <b>1,481.30</b>                 |

**Camerons residential - \$50,000 land value**

| Residential - Zone 2          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES2-Community Services       | 50,000 | 43.00                      | 47.50                       | 49.03                        | 49.80                        |
| RES2-Environmental Services   | 50,000 | 101.50                     | 93.50                       | 96.51                        | 98.02                        |
| RES2-Refuse Disposal Site(s)  | 50,000 | 38.00                      | 21.50                       | 22.19                        | 22.54                        |
| RES2-Roading                  | 50,000 | 57.00                      | 74.50                       | 76.90                        | 78.11                        |
| RES2-Stormwater               | 50,000 | 24.50                      | 28.00                       | 28.90                        | 29.35                        |
| RES2-Flood Protection         | 50,000 | 11.50                      | 11.00                       | 11.35                        | 11.53                        |
| RES2-Rural Fire               | 50,000 | 4.00                       | 4.00                        | 4.13                         | 4.19                         |
| Refuse Collection             | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |        | <b>815.00</b>              | <b>870.70</b>               | <b>902.31</b>                | <b>929.44</b>                |

**Ngahere residential - \$65,000 land value**

| Residential - Zone 2          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES3-Community Services       | 65,000 | 127.40                     | 136.50                      | 140.89                       | 143.10                       |
| RES3-Environmental Services   | 65,000 | 53.30                      | 49.40                       | 50.99                        | 51.79                        |
| RES3-Refuse Disposal Site(s)  | 65,000 | 20.15                      | 11.70                       | 12.08                        | 12.27                        |
| RES3-Roading                  | 65,000 | 86.45                      | 88.40                       | 91.24                        | 92.67                        |
| RES3-Stormwater               | 65,000 | 14.95                      | 17.55                       | 18.11                        | 18.39                        |
| RES3-Flood Protection         | 65,000 | 7.80                       | 7.15                        | 7.38                         | 7.50                         |
| RES3-Rural Fire               | 65,000 | 2.60                       | 2.60                        | 2.68                         | 2.72                         |
| Refuse Collection             | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |        | <b>848.15</b>              | <b>904.00</b>               | <b>936.67</b>                | <b>964.34</b>                |

**Ahaura residential - \$70,000 land value**

| Residential - Zone 2          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES3-Community Services       | 70,000 | 137.20                     | 147.00                      | 151.73                       | 154.11                       |
| RES3-Environmental Services   | 70,000 | 57.40                      | 53.20                       | 54.91                        | 55.77                        |
| RES3-Refuse Disposal Site(s)  | 70,000 | 21.70                      | 12.60                       | 13.01                        | 13.21                        |
| RES3-Roading                  | 70,000 | 93.10                      | 95.20                       | 98.26                        | 99.80                        |
| RES3-Stormwater               | 70,000 | 16.10                      | 18.90                       | 19.51                        | 19.82                        |
| RES3-Flood Protection         | 70,000 | 8.40                       | 7.70                        | 7.95                         | 8.07                         |
| RES3-Rural Fire               | 70,000 | 2.80                       | 2.80                        | 2.89                         | 2.94                         |
| Refuse Collection             | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |        | <b>872.20</b>              | <b>928.10</b>               | <b>961.56</b>                | <b>989.62</b>                |

**Moana residential - \$240,000 land value**

| Residential - Zone 2          |         | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|---------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1       | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES3-Community Services       | 240,000 | 470.40                     | 504.00                      | 520.22                       | 528.37                       |
| RES3-Environmental Services   | 240,000 | 196.80                     | 182.40                      | 188.27                       | 191.22                       |
| RES3-Refuse Disposal Site(s)  | 240,000 | 74.40                      | 43.20                       | 44.59                        | 45.29                        |
| RES3-Roading                  | 240,000 | 319.20                     | 326.40                      | 336.90                       | 342.18                       |
| RES3-Stormwater               | 240,000 | 55.20                      | 64.80                       | 66.89                        | 67.94                        |
| RES3-Flood Protection         | 240,000 | 28.80                      | 26.40                       | 27.25                        | 27.68                        |
| RES3-Rural Fire               | 240,000 | 9.60                       | 9.60                        | 9.91                         | 10.07                        |
| Moana Sewerage                | 1       | 212.50                     | 221.70                      | 232.60                       | 237.30                       |
| Refuse Collection             | 1       | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |         | <b>1,902.40</b>            | <b>1,969.20</b>             | <b>2,039.93</b>              | <b>2,085.95</b>              |

**Blackball residential - \$32,000 land value**

| Residential - Zone 2          |        | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|--------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1      | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| RES2-Community Services       | 32,000 | 27.52                      | 30.40                       | 31.38                        | 31.87                        |
| RES2-Environmental Services   | 32,000 | 64.96                      | 59.84                       | 61.77                        | 62.74                        |
| RES2-Refuse Disposal Site(s)  | 32,000 | 24.32                      | 13.76                       | 14.20                        | 14.42                        |
| RES2-Roading                  | 32,000 | 36.48                      | 47.68                       | 49.21                        | 49.98                        |
| RES2-Stormwater               | 32,000 | 15.68                      | 17.92                       | 18.50                        | 18.79                        |
| RES2-Flood Protection         | 32,000 | 7.36                       | 7.04                        | 7.27                         | 7.38                         |
| RES2-Rural Fire               | 32,000 | 2.56                       | 2.56                        | 2.64                         | 2.68                         |
| Blackball Sewerage            | 1      | 505.00                     | 515.10                      | 525.40                       | 535.90                       |
| Blackball Water Supply        | 1      | 433.60                     | 442.30                      | 451.10                       | 460.10                       |
| Refuse Collection             | 1      | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |        | <b>1,652.98</b>            | <b>1,727.30</b>             | <b>1,774.77</b>              | <b>1,819.76</b>              |

**Dairy Farm - \$6,600,000 land value**

| Farming/Forestry              |           | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|-----------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1         | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| FF-Community Services         | 6,600,000 | 528.00                     | 594.00                      | 613.12                       | 622.73                       |
| FF-Environmental Services     | 6,600,000 | 792.00                     | 792.00                      | 817.49                       | 830.30                       |
| FF-Refuse Disposal Site(s)    | 6,600,000 | 330.00                     | 198.00                      | 204.37                       | 207.57                       |
| FF-Roading                    | 6,600,000 | 6,534.00                   | 6,732.00                    | 6,948.66                     | 7,057.56                     |
| FF-Stormwater                 | 6,600,000 | -                          | -                           | -                            | -                            |
| FF-Flood Protection           | 6,600,000 | 198.00                     | 198.00                      | 204.37                       | 207.57                       |
| FF-Rural Fire                 | 6,600,000 | 594.00                     | 528.00                      | 544.99                       | 553.53                       |
| Refuse Collection             | 1         | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |           | <b>9,511.50</b>            | <b>9,632.70</b>             | <b>9,946.30</b>              | <b>10,115.16</b>             |



**Dry stock farm - \$1,560,000 land value**

| Farming/Forestry              |           | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|-----------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1         | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| FF-Community Services         | 1,560,000 | 124.80                     | 140.40                      | 144.92                       | 147.19                       |
| FF-Environmental Services     | 1,560,000 | 187.20                     | 187.20                      | 193.22                       | 196.25                       |
| FF-Refuse Disposal Site(s)    | 1,560,000 | 78.00                      | 46.80                       | 48.31                        | 49.07                        |
| FF-Roading                    | 1,560,000 | 1,544.40                   | 1,591.20                    | 1,642.41                     | 1,668.15                     |
| FF-Stormwater                 | 1,560,000 | -                          | -                           | -                            | -                            |
| FF-Flood Protection           | 1,560,000 | 46.80                      | 46.80                       | 48.31                        | 49.07                        |
| FF-Rural Fire                 | 1,560,000 | 140.40                     | 124.80                      | 128.82                       | 130.84                       |
| Refuse Collection             | 1         | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |           | <b>2,657.10</b>            | <b>2,727.90</b>             | <b>2,819.29</b>              | <b>2,876.47</b>              |

**Forestry block - \$980,000 land value**

| Farming/Forestry              |         | current rates<br>2011/2012 | proposed rates<br>2012/2013 | estimated rates<br>2013/2014 | estimated rates<br>2014/2015 |
|-------------------------------|---------|----------------------------|-----------------------------|------------------------------|------------------------------|
| Uniform Annual General Charge | 1       | 382.60                     | 408.20                      | 425.30                       | 442.30                       |
| FF-Community Services         | 980,000 | 78.40                      | 88.20                       | 91.04                        | 92.47                        |
| FF-Environmental Services     | 980,000 | 117.60                     | 117.60                      | 121.38                       | 123.28                       |
| FF-Refuse Disposal Site(s)    | 980,000 | 49.00                      | 29.40                       | 30.35                        | 30.83                        |
| FF-Roading                    | 980,000 | 970.20                     | 999.60                      | 1,031.77                     | 1,047.94                     |
| FF-Stormwater                 | 980,000 | -                          | -                           | -                            | -                            |
| FF-Flood Protection           | 980,000 | 29.40                      | 29.40                       | 30.35                        | 30.83                        |
| FF-Rural Fire                 | 980,000 | 88.20                      | 78.40                       | 80.92                        | 82.19                        |
| Refuse Collection             | 1       | 152.90                     | 182.50                      | 188.00                       | 193.60                       |
|                               |         | <b>1,868.30</b>            | <b>1,933.30</b>             | <b>1,999.11</b>              | <b>2,043.44</b>              |

**Greymouth CBD commercial - \$185,000 land value/\$730,000 capital value**

| Commercial - Zone 1           |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| COM1-Community Services       | 185,000 | 641.95                        | 690.05                         | 712.26                          | 723.42                          |
| COM1-Environmental Services   | 185,000 | 105.45                        | 96.20                          | 99.30                           | 100.86                          |
| COM1-Refuse Disposal Site(s)  | 185,000 | 40.70                         | 22.20                          | 22.91                           | 23.27                           |
| COM1-Roading                  | 185,000 | 1,722.35                      | 1,720.50                       | 1,775.87                        | 1,803.70                        |
| COM1-Stormwater               | 185,000 | 85.10                         | 96.20                          | 99.30                           | 100.86                          |
| COM1-Flood Protection         | 185,000 | 127.65                        | 120.25                         | 124.12                          | 126.07                          |
| COM1-Rural Fire               | 185,000 | 3.70                          | 1.85                           | 1.91                            | 1.94                            |
| Greymouth Sewerage            | 2       | 1,003.40                      | 1,066.60                       | 1,117.60                        | 1,168.00                        |
| Greymouth Water               | 2       | 729.00                        | 732.80                         | 760.40                          | 774.40                          |
| Refuse/Recycling              | 2       | 611.60                        | 934.00                         | 962.00                          | 990.80                          |
| Ditric Promotion              | 730,000 | 629.26                        | 635.10                         | 655.54                          | 665.81                          |
|                               |         | <b>6,082.76</b>               | <b>6,523.95</b>                | <b>6,756.51</b>                 | <b>6,921.43</b>                 |

**Blackball commercial - \$32,000 land value/\$143,000 capital value**

| Commercial - Zone 2           |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| COM2-Community Services       | 32,000  | 41.28                         | 42.88                          | 44.26                           | 44.95                           |
| COM2-Environmental Services   | 32,000  | 14.40                         | 13.44                          | 13.87                           | 14.09                           |
| COM2-Refuse Disposal Site(s)  | 32,000  | 5.12                          | 2.88                           | 2.97                            | 3.02                            |
| COM2-Roading                  | 32,000  | 133.76                        | 135.04                         | 139.39                          | 141.57                          |
| COM2-Stormwater               | 32,000  | 5.44                          | 7.04                           | 7.27                            | 7.38                            |
| COM2-Flood Protection         | 32,000  | 7.04                          | 6.72                           | 6.94                            | 7.05                            |
| COM2-Rural Fire               | 32,000  | 1.60                          | 0.96                           | 0.99                            | 1.01                            |
| Blackball Sewerage            | 1       | 505.00                        | 515.10                         | 525.40                          | 535.90                          |
| Blackball Water Supply        | 1       | 433.60                        | 442.30                         | 451.10                          | 460.10                          |
| Refuse Collection             | 1       | 152.90                        | 182.50                         | 188.00                          | 193.60                          |
| Ditric Promotion              | 143,000 | 123.27                        | 124.41                         | 128.41                          | 130.42                          |
|                               |         | <b>1,806.01</b>               | <b>1,881.47</b>                | <b>1,933.90</b>                 | <b>1,981.39</b>                 |

**Moana commercial - \$32,000 land value/\$143,000 capital value**

| Commercial - Zone 3           |         | current<br>rates<br>2011/2012 | proposed<br>rates<br>2012/2013 | estimated<br>rates<br>2013/2014 | estimated<br>rates<br>2014/2015 |
|-------------------------------|---------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Uniform Annual General Charge | 1       | 382.60                        | 408.20                         | 425.30                          | 442.30                          |
| COM3-Community Services       | 220,000 | 545.60                        | 591.80                         | 610.85                          | 620.42                          |
| COM3-Environmental Services   | 220,000 | 162.80                        | 151.80                         | 156.69                          | 159.15                          |
| COM3-Refuse Disposal Site(s)  | 220,000 | 44.00                         | 26.40                          | 27.25                           | 27.68                           |
| COM3-Roading                  | 220,000 | 1,234.20                      | 1,210.00                       | 1,248.94                        | 1,268.51                        |
| COM3-Stormwater               | 220,000 | 96.80                         | 110.00                         | 113.54                          | 115.32                          |
| COM3-Flood Protection         | 220,000 | 83.60                         | 81.40                          | 84.02                           | 85.34                           |
| COM3-Rural Fire               | 220,000 | 13.20                         | 13.20                          | 13.62                           | 13.83                           |
| Moana Sewerage                | 1       | 212.50                        | 221.70                         | 232.60                          | 237.30                          |
| Refuse Collection             | 1       | 152.90                        | 182.50                         | 188.00                          | 193.60                          |
| District Promotion            | 465,000 | 400.83                        | 404.55                         | 417.57                          | 424.11                          |
|                               |         | <b>3,329.03</b>               | <b>3,401.55</b>                | <b>3,518.38</b>                 | <b>3,587.56</b>                 |

# PART F: Other information

**[appendix A] Council special funds (reserve funds)**

## [1] general policy

- Access to special funds can only be achieved in pursuance of this policy.
- Interest earned by special funds will be allocated across all funds on a pro-rata basis at year end.
- Access to special funds will be through the annual plan process. However, Council can, by majority decision, access funds from special funds if :-
  - the expenditure is totally unexpected and could not have been foreseen in the Annual Plan.
  - the expenditure is unavoidable.
  - the expenditure cannot be funded ex savings on the current Annual Plan.
  - the purpose for which funding is sought is not controversial and therefore unlikely to result in public debate.
  - the expenditure will not represent a major departure from the current LTCOP resulting in an audit.
- Where the purpose for which funding is required is likely to be controversial, or where such funding exceeds \$250,000.00, the funding will not become available until Council has consulted the public on the matter and have confirmed the funding after having considered public input received.

## [2] Specific Reserves

### infrastructural renewal reserve

#### purpose

To fund expenditure in connection with deferred maintenance, major maintenance and renewal in respect of land transport (including footpaths), wastewater, water supply, stormwater and solid waste.

#### contributions

- Any unspent funding of depreciation of infrastructural assets
- An amount per annum from general rates as determined by Council as part of each year's Annual Plan.

#### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Infrastructure Renewal Reserve opening balance | 183                          | 34                              | 22                              | 3                              | 60                             | 126                            | 209                            | 287                            | 382                            | 458                            |
| withdrawals from reserve                       | ( 202)                       | ( 68)                           | ( 75)                           | 1                              | 9                              | 23                             | 20                             | 26                             | 22                             | 19                             |
| deposits to reserve                            | 53                           | 56                              | 56                              | 56                             | 57                             | 60                             | 58                             | 69                             | 54                             | 50                             |
| <b>Closing balance</b>                         | <b>34</b>                    | <b>22</b>                       | <b>3</b>                        | <b>60</b>                      | <b>126</b>                     | <b>209</b>                     | <b>287</b>                     | <b>382</b>                     | <b>458</b>                     | <b>527</b>                     |

## greymouth sewerage fund

### purpose

To fund the wider Greymouth Area Sewerage Scheme.

### contributions<sup>11</sup>

Net ratepayer contributions, government grants, and external subsidies

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Greymouth Sewerage Fund opening balance | 3,913                        | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| withdrawals from reserve                | ( 3,966)                     | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                     | 53                           | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Closing balance</b>                  | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |

## rural sewerage works capital reserve

### purpose

To fund enhancement and development sewerage schemes other than the Greymouth Area scheme.

### contributions

None. Costs are now recovered against benefiting communities on a user-pays basis by means of targeted rates.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Rural Sewerage Capital Works Reserve opening balance | 222                          | 230                             | 238                             | 250                            | 262                            | 275                            | 288                            | 301                            | 315                            | 329                            |
| withdrawals from reserve                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                                  | 8                            | 8                               | 12                              | 12                             | 13                             | 13                             | 13                             | 14                             | 14                             | 14                             |
| <b>Closing balance</b>                               | <b>230</b>                   | <b>238</b>                      | <b>250</b>                      | <b>262</b>                     | <b>275</b>                     | <b>288</b>                     | <b>301</b>                     | <b>315</b>                     | <b>329</b>                     | <b>343</b>                     |

<sup>11</sup> Reserve expected to be wound up when project is completed.

## roading reserve

### purpose

To spread funding of key roading (land transport) renewal projects, given that they do not have an equal funding requirement year to year.

### contributions

annual funding from general rates as required

### forecast balance based on this long term plan

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Roading Reserve opening balance | 235                          | 305                             | 248                             | 233                            | 116                            | 134                            | 156                            | 5                              | ( 5)                           | ( 5)                           |
| withdrawals from reserve        | -                            | ( 77)                           | ( 35)                           | ( 140)                         | -                              | -                              | ( 155)                         | ( 10)                          | -                              | -                              |
| deposits to reserve             | 70                           | 20                              | 20                              | 23                             | 18                             | 22                             | 4                              | -                              | -                              | 125                            |
| <b>Closing balance</b>          | <b>305</b>                   | <b>248</b>                      | <b>233</b>                      | <b>116</b>                     | <b>134</b>                     | <b>156</b>                     | <b>5</b>                       | <b>( 5)</b>                    | <b>( 5)</b>                    | <b>120</b>                     |

## footpath reserve

### purpose

To fund the development or renewal of footpaths in the District (land transport activity).

### contributions

any annual funding committed by Council from general rates (nil signalled in this plan)

### forecast balance based on this long term plan

|                                  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|----------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Footpath Reserve opening balance | 50                           | 52                              | 54                              | 57                             | 60                             | 63                             | 66                             | 69                             | 72                             | 75                             |
| withdrawals from reserve         | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve              | 2                            | 2                               | 3                               | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              |
| <b>Closing balance</b>           | <b>52</b>                    | <b>54</b>                       | <b>57</b>                       | <b>60</b>                      | <b>63</b>                      | <b>66</b>                      | <b>69</b>                      | <b>72</b>                      | <b>75</b>                      | <b>78</b>                      |



## cobden stormwater mitigation reserve

### purpose

To fund enhancement of stormwater management in Cobden.

### contributions

N/A

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Cobden Stormwater Mitigation Reserve opening balance | 41                           | 43                              | 45                              | 47                             | 49                             | 51                             | 53                             | 55                             | 58                             | 61                             |
| withdrawals from reserve                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                                  | 2                            | 2                               | 2                               | 2                              | 2                              | 2                              | 2                              | 3                              | 3                              | 3                              |
| <b>Closing balance</b>                               | <b>43</b>                    | <b>45</b>                       | <b>47</b>                       | <b>49</b>                      | <b>51</b>                      | <b>53</b>                      | <b>55</b>                      | <b>58</b>                      | <b>61</b>                      | <b>64</b>                      |

## moana water supply reserve

### purpose

To fund any design options for a reticulated water supply servicing Moana (not signalled in this plan).

### contributions

- any specific funds budgeted and not spent

### forecast balance based on this long term plan

|                                    | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Moana Water Supply opening balance | 7                            | 7                               | 7                               | 8                              | 8                              | 8                              | 9                              | 9                              | 9                              | 10                             |
| withdrawals from reserve           | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                | -                            | -                               | 1                               | -                              | -                              | 1                              | -                              | -                              | 1                              | -                              |
| <b>Closing balance</b>             | <b>7</b>                     | <b>7</b>                        | <b>8</b>                        | <b>8</b>                       | <b>8</b>                       | <b>9</b>                       | <b>9</b>                       | <b>9</b>                       | <b>10</b>                      | <b>10</b>                      |

## te kinga infrastructure upgrade reserve

### purpose

To fund land transport, water, and/or wastewater infrastructure upgrades required in the Te Kinga area.

### contributions

- contributions by benefiting properties in the Te Kinga area

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Te Kinga Infrastructure Upgrade Reserve opening balance | 72                           | 75                              | 78                              | 82                             | 86                             | 90                             | 94                             | 98                             | 102                            | 107                            |
| withdrawals from reserve                                | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                                     | 3                            | 3                               | 4                               | 4                              | 4                              | 4                              | 4                              | 4                              | 5                              | 5                              |
| <b>Closing balance</b>                                  | <b>75</b>                    | <b>78</b>                       | <b>82</b>                       | <b>86</b>                      | <b>90</b>                      | <b>94</b>                      | <b>98</b>                      | <b>102</b>                     | <b>107</b>                     | <b>112</b>                     |

## flood protection reserve

### purpose

To fund capital works to enhance flood protection measures in the District for which Council is responsible for.

### contributions

- any cash surpluses generated by the flood protection activity, after consideration of associated debt retirement.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Flood Protection Reserve opening balance | 92                           | 95                              | 98                              | 103                            | 108                            | 113                            | 118                            | 123                            | 129                            | 135                            |
| withdrawals from reserve                 | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                      | 3                            | 3                               | 5                               | 5                              | 5                              | 5                              | 5                              | 6                              | 6                              | 6                              |
| <b>Closing balance</b>                   | <b>95</b>                    | <b>98</b>                       | <b>103</b>                      | <b>108</b>                     | <b>113</b>                     | <b>118</b>                     | <b>123</b>                     | <b>129</b>                     | <b>135</b>                     | <b>141</b>                     |

## land-fill reserve

### purpose

to fund capital works required for solid waste management

### contributions

- any cash surpluses generated by the solid waste management activity, after consideration of associated debt retirement.

### forecast balance based on this long term plan

|                                   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|-----------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land Fill Reserve opening balance | 53                           | 67                              | 83                              | 101                            | 149                            | 205                            | 270                            | 452                            | 622                            | 832                            |
| withdrawals from reserve          | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | ( 669)                         |
| deposits to reserve               | 14                           | 16                              | 18                              | 48                             | 56                             | 65                             | 182                            | 170                            | 210                            | 38                             |
| <b>Closing balance</b>            | <b>67</b>                    | <b>83</b>                       | <b>101</b>                      | <b>149</b>                     | <b>205</b>                     | <b>270</b>                     | <b>452</b>                     | <b>622</b>                     | <b>832</b>                     | <b>201</b>                     |

## disaster recovery reserve

### purpose

To fund Council's excess on the loss of Council assets in the event of a major disaster (all activities).

### contributions

The \$20,000 per annum as minimum with the fund capped at the value of Council's estimated excess/un-insured losses.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Disaster Recovery (Restricted Reserve) opening balance | 1,930                        | 2,024                           | 2,116                           | 2,244                          | 2,375                          | 2,509                          | 2,647                          | 2,789                          | 2,936                          | 3,088                          |
| withdrawals from reserve                               | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                                    | 94                           | 92                              | 128                             | 131                            | 134                            | 138                            | 142                            | 147                            | 152                            | 156                            |
| <b>Closing balance</b>                                 | <b>2,024</b>                 | <b>2,116</b>                    | <b>2,244</b>                    | <b>2,375</b>                   | <b>2,509</b>                   | <b>2,647</b>                   | <b>2,789</b>                   | <b>2,936</b>                   | <b>3,088</b>                   | <b>3,244</b>                   |

## civil defence reserve

### purpose

To fund any extraordinary expenditure associated with providing Council's emergency management function.

### contributions

n/a.

### forecast balance based on this long term plan

|                                       | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Civil Defence Reserve opening balance | 27                           | 28                              | 29                              | 30                             | 31                             | 32                             | 34                             | 36                             | 38                             | 40                             |
| withdrawals from reserve              | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                   | 1                            | 1                               | 1                               | 1                              | 1                              | 2                              | 2                              | 2                              | 2                              | 2                              |
| <b>Closing balance</b>                | <b>28</b>                    | <b>29</b>                       | <b>30</b>                       | <b>31</b>                      | <b>32</b>                      | <b>34</b>                      | <b>36</b>                      | <b>38</b>                      | <b>40</b>                      | <b>42</b>                      |

## library reserve

### purpose

To fund any key maintenance work or equipment upgrades required at Council's District library.

### contributions

n/a.

### forecast balance based on this long term plan

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Library Reserve opening balance | 35                           | 36                              | 37                              | 39                             | 41                             | 43                             | 45                             | 47                             | 49                             | 51                             |
| withdrawals from reserve        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve             | 1                            | 1                               | 2                               | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              |
| <b>Closing balance</b>          | <b>36</b>                    | <b>37</b>                       | <b>39</b>                       | <b>41</b>                      | <b>43</b>                      | <b>45</b>                      | <b>47</b>                      | <b>49</b>                      | <b>51</b>                      | <b>53</b>                      |

## town development strategy reserve

### purpose

To fund a portion of any projects that may arise as a result of the Town Development Strategy (all activities).

### contributions

n/a.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Town Development Strategy Reserve opening balance | 50                           | 52                              | 54                              | 57                             | 60                             | 63                             | 66                             | 69                             | 72                             | 75                             |
| withdrawals from reserve                          | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                               | 2                            | 2                               | 3                               | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              |
| <b>Closing balance</b>                            | <b>52</b>                    | <b>54</b>                       | <b>57</b>                       | <b>60</b>                      | <b>63</b>                      | <b>66</b>                      | <b>69</b>                      | <b>72</b>                      | <b>75</b>                      | <b>78</b>                      |

## gas management plan reserve

### purpose

To fund a portion of any associated costs of identifying and mitigating effects of any land associated with historic gasworks.

### contributions

n/a.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Gas Management Plan Reserve opening balance | 14                           | 15                              | 16                              | 17                             | 18                             | 19                             | 20                             | 21                             | 22                             | 23                             |
| withdrawals from reserve                    | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                         | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>                      | <b>15</b>                    | <b>16</b>                       | <b>17</b>                       | <b>18</b>                      | <b>19</b>                      | <b>20</b>                      | <b>21</b>                      | <b>22</b>                      | <b>23</b>                      | <b>24</b>                      |

## area infrastructural reserves

### purpose

To develop/improve infrastructure in the respective areas per the preference of people in the area.

### contributions

of the \$7 million *ad hoc* development grant received from Government (less \$1 million economic development grant). The original division of the fund was as follows:

| Area  | allocation |
|---|------------|
| Barrytown   | 1.45%      |
| Atarua  | 1.03%      |
| Ahaura  | 2.92%      |
| Haupiri   | 1.52%      |
| Nelson Creek  | 2.43%      |
| Blackball   | 3.00%      |
| Runanga   | 13.17%     |
| Kaiata/Stillwater                                     | 6.62%      |
| Karoro/Gladstone                                      | 15.50%     |
| Arnold Valley   | 0.85%      |
| Lake Brunner  | 2.54%      |
| Hohonu  | 0.39%      |
| Greymouth (transferred to Greymouth sewerage reserve) | 48.58%     |

### forecast balances based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Barrytown Area Infrastructure Reserve opening balance | 62                           | 65                              | 67                              | 70                             | 73                             | 77                             | 81                             | 85                             | 89                             | 93                             |
| withdrawals from reserve                              | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                                   | 3                            | 2                               | 3                               | 3                              | 4                              | 4                              | 4                              | 4                              | 4                              | 4                              |
| <b>Closing balance</b>                                | <b>65</b>                    | <b>67</b>                       | <b>70</b>                       | <b>73</b>                      | <b>77</b>                      | <b>81</b>                      | <b>85</b>                      | <b>89</b>                      | <b>93</b>                      | <b>97</b>                      |

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Atarau Area Infrastructure Reserve opening balance               | 3                            | 3                               | 3                               | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              |
| withdrawals from reserve   | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Closing balance</b>   | <b>3</b>                     | <b>3</b>                        | <b>3</b>                        | <b>3</b>                       | <b>3</b>                       | <b>3</b>                       | <b>3</b>                       | <b>3</b>                       | <b>3</b>                       | <b>3</b>                       |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Ahaura Area Infrastructure Reserve opening balance               | 241                          | 250                             | 259                             | 272                            | 285                            | 299                            | 313                            | 327                            | 342                            | 357                            |
| withdrawals from reserve   | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 9                            | 9                               | 13                              | 13                             | 14                             | 14                             | 14                             | 15                             | 15                             | 16                             |
| <b>Closing balance</b>   | <b>250</b>                   | <b>259</b>                      | <b>272</b>                      | <b>285</b>                     | <b>299</b>                     | <b>313</b>                     | <b>327</b>                     | <b>342</b>                     | <b>357</b>                     | <b>373</b>                     |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Hauptiri Area Infrastructure Reserve opening balance             | 146                          | 152                             | 157                             | 165                            | 173                            | 181                            | 189                            | 198                            | 207                            | 216                            |
| withdrawals from reserve   | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 6                            | 5                               | 8                               | 8                              | 8                              | 8                              | 9                              | 9                              | 9                              | 10                             |
| <b>Closing balance</b>   | <b>152</b>                   | <b>157</b>                      | <b>165</b>                      | <b>173</b>                     | <b>181</b>                     | <b>189</b>                     | <b>198</b>                     | <b>207</b>                     | <b>216</b>                     | <b>226</b>                     |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Nelson Creek Area Infrastructure Reserve opening balance         | 223                          | 231                             | 239                             | 251                            | 263                            | 276                            | 289                            | 302                            | 316                            | 330                            |
| withdrawals from reserve   | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 8                            | 8                               | 12                              | 12                             | 13                             | 13                             | 13                             | 14                             | 14                             | 15                             |
| <b>Closing balance</b>   | <b>231</b>                   | <b>239</b>                      | <b>251</b>                      | <b>263</b>                     | <b>276</b>                     | <b>289</b>                     | <b>302</b>                     | <b>316</b>                     | <b>330</b>                     | <b>345</b>                     |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Runanga Area Infrastructure Reserve opening balance              | 474                          | 522                             | 164                             | 104                            | 92                             | 73                             | 63                             | 75                             | 70                             | 57                             |
| withdrawals from reserve   | -                            | ( 370)                          | ( 67)                           | ( 25)                          | ( 23)                          | ( 13)                          | -                              | ( 8)                           | ( 16)                          | ( 33)                          |
| deposits to reserve  | 48                           | 12                              | 7                               | 13                             | 4                              | 3                              | 12                             | 3                              | 3                              | 2                              |
| <b>Closing balance</b>   | <b>522</b>                   | <b>164</b>                      | <b>104</b>                      | <b>92</b>                      | <b>73</b>                      | <b>63</b>                      | <b>75</b>                      | <b>70</b>                      | <b>57</b>                      | <b>26</b>                      |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Kaiata to Stillwater Area Infrastructure Reserve opening balance | 636                          | 183                             | 189                             | 199                            | 209                            | 219                            | 229                            | 240                            | 251                            | 262                            |
| withdrawals from reserve   | ( 468)                       | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 15                           | 6                               | 10                              | 10                             | 10                             | 10                             | 11                             | 11                             | 11                             | 12                             |
| <b>Closing balance</b>   | <b>183</b>                   | <b>189</b>                      | <b>199</b>                      | <b>209</b>                     | <b>219</b>                     | <b>229</b>                     | <b>240</b>                     | <b>251</b>                     | <b>262</b>                     | <b>274</b>                     |

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Karoro/Gladstone Area Infrastructure Reserve opening balance | 884                          | 918                             | 951                             | 999                            | 1,048                          | 1,098                          | 1,150                          | 1,203                          | 1,258                          | 1,315                          |
| withdrawals from reserve                                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 34                           | 33                              | 48                              | 49                             | 50                             | 52                             | 53                             | 55                             | 57                             | 58                             |
| <b>Closing balance</b>                                       | <b>918</b>                   | <b>951</b>                      | <b>999</b>                      | <b>1,048</b>                   | <b>1,098</b>                   | <b>1,150</b>                   | <b>1,203</b>                   | <b>1,258</b>                   | <b>1,315</b>                   | <b>1,373</b>                   |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Arnold Valley Area Infrastructure Reserve opening balance    | 82                           | 85                              | 88                              | 92                             | 97                             | 102                            | 107                            | 112                            | 117                            | 122                            |
| withdrawals from reserve                                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 3                            | 3                               | 4                               | 5                              | 5                              | 5                              | 5                              | 5                              | 5                              | 5                              |
| <b>Closing balance</b>                                       | <b>85</b>                    | <b>88</b>                       | <b>92</b>                       | <b>97</b>                      | <b>102</b>                     | <b>107</b>                     | <b>112</b>                     | <b>117</b>                     | <b>122</b>                     | <b>127</b>                     |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Lake Brunner Area Infrastructure Reserve opening balance     | 164                          | 170                             | 176                             | 185                            | 194                            | 203                            | 213                            | 223                            | 233                            | 243                            |
| withdrawals from reserve                                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 6                            | 6                               | 9                               | 9                              | 9                              | 10                             | 10                             | 10                             | 10                             | 11                             |
| <b>Closing balance</b>                                       | <b>170</b>                   | <b>176</b>                      | <b>185</b>                      | <b>194</b>                     | <b>203</b>                     | <b>213</b>                     | <b>223</b>                     | <b>233</b>                     | <b>243</b>                     | <b>254</b>                     |
|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
| Hohonu Area Infrastructure Reserve opening balance           | 38                           | 39                              | 40                              | 42                             | 44                             | 46                             | 48                             | 50                             | 52                             | 54                             |
| withdrawals from reserve                                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve  | 1                            | 1                               | 2                               | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              |
| <b>Closing balance</b>                                       | <b>39</b>                    | <b>40</b>                       | <b>42</b>                       | <b>44</b>                      | <b>46</b>                      | <b>48</b>                      | <b>50</b>                      | <b>52</b>                      | <b>54</b>                      | <b>56</b>                      |



## swimming baths plant reserves

### purpose

To fund expenditure in connection with replacement or enhancement of swimming pool equipment/ plant.

### contributions

- any surplus generated from swimming pool activities.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Swimming Baths Plant Reserve opening balance | 79                           | 82                              | 85                              | 89                             | 93                             | 97                             | 102                            | 107                            | 112                            | 117                            |
| withdrawals from reserve                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                          | 3                            | 3                               | 4                               | 4                              | 4                              | 5                              | 5                              | 5                              | 5                              | 5                              |
| <b>Closing balance</b>                       | <b>82</b>                    | <b>85</b>                       | <b>89</b>                       | <b>93</b>                      | <b>97</b>                      | <b>102</b>                     | <b>107</b>                     | <b>112</b>                     | <b>117</b>                     | <b>122</b>                     |

## parking reserve

### purpose

To fund renewal/provision of car parks.

### contributions

- Financial purpose in lieu of parking.
- Surpluses on parking activity account.

### forecast balance based on this long term plan

|                                       | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Parking Areas Reserve opening balance | -                            | 3                               | 6                               | 9                              | -                              | 4                              | 8                              | 12                             | 17                             | 22                             |
| withdrawals from reserve              | -                            | -                               | -                               | ( 13)                          | -                              | -                              | -                              | -                              | -                              | ( 12)                          |
| deposits to reserve                   | 3                            | 3                               | 3                               | 4                              | 4                              | 4                              | 4                              | 5                              | 5                              | 5                              |
| <b>Closing balance</b>                | <b>3</b>                     | <b>6</b>                        | <b>9</b>                        | <b>-</b>                       | <b>4</b>                       | <b>8</b>                       | <b>12</b>                      | <b>17</b>                      | <b>22</b>                      | <b>15</b>                      |

## airport runway re-seal reserve

### purpose

To fund the periodic re-seal of airport runway and other significant maintenance.

### contributions

Depreciation on airport runway funded, subject to operating revenue being available

### forecast balance based on this long term plan

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Airport Reserve opening balance | -                            | 69                              | 144                             | 230                            | 320                            | 414                            | 519                            | 629                            | 745                            | 873                            |
| withdrawals from reserve        | ( 3)                         | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve             | 72                           | 75                              | 86                              | 90                             | 94                             | 105                            | 110                            | 116                            | 128                            | 132                            |
| <b>Closing balance</b>          | <b>69</b>                    | <b>144</b>                      | <b>230</b>                      | <b>320</b>                     | <b>414</b>                     | <b>519</b>                     | <b>629</b>                     | <b>745</b>                     | <b>873</b>                     | <b>1,005</b>                   |

## town clock reserve

### purpose

To fund renewal/major maintenance of town clock.

### contributions

- n/a

### forecast balance based on this long term plan

|                                    | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Town Clock Reserve opening balance | 18                           | 19                              | 20                              | 21                             | 22                             | 23                             | 24                             | 25                             | 26                             | 27                             |
| withdrawals from reserve           | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>             | <b>19</b>                    | <b>20</b>                       | <b>21</b>                       | <b>22</b>                      | <b>23</b>                      | <b>24</b>                      | <b>25</b>                      | <b>26</b>                      | <b>27</b>                      | <b>28</b>                      |

## cemetery maintenance reserve

### purpose

To fund additional capacity, renewal and maintenance of cemeteries.

### contributions

Interment paid on reservation of grave plots in advance and any annual surpluses generated from the cemetery activity

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Cemetery Maintenance Reserve opening balance | 307                          | 319                             | 285                             | 300                            | 315                            | 330                            | 345                            | 361                            | 377                            | 394                            |
| withdrawals from reserve                     | -                            | ( 45)                           | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                          | 12                           | 11                              | 15                              | 15                             | 15                             | 15                             | 16                             | 16                             | 17                             | 17                             |
| <b>Closing balance</b>                       | <b>319</b>                   | <b>285</b>                      | <b>300</b>                      | <b>315</b>                     | <b>330</b>                     | <b>345</b>                     | <b>361</b>                     | <b>377</b>                     | <b>394</b>                     | <b>411</b>                     |

## rental housing reserve

### purpose

To maintain in perpetuity, Council's retirement housing stock.

### contributions

- Cash surplus on activity.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Rental Housing Reserve opening balance | 256                          | 283                             | 309                             | 341                            | 374                            | 408                            | 444                            | 480                            | 517                            | 562                            |
| withdrawals from reserve               | ( 55)                        | ( 57)                           | ( 59)                           | ( 60)                          | ( 62)                          | ( 64)                          | ( 66)                          | ( 68)                          | ( 70)                          | ( 72)                          |
| deposits to reserve                    | 82                           | 83                              | 91                              | 93                             | 96                             | 100                            | 102                            | 105                            | 115                            | 112                            |
| <b>Closing balance</b>                 | <b>283</b>                   | <b>309</b>                      | <b>341</b>                      | <b>374</b>                     | <b>408</b>                     | <b>444</b>                     | <b>480</b>                     | <b>517</b>                     | <b>562</b>                     | <b>602</b>                     |

## economic development reserve

### purpose

To fund economic development, including a share of land transport, wastewater, water supply, and stormwater development expenditure incurred via subdivision.

### contributions

- Repayment of any loans granted from reserve.

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Economic Development Reserve opening balance | 448                          | 456                             | 462                             | 475                            | 488                            | 500                            | 512                            | 524                            | 536                            | 548                            |
| withdrawals from reserve                     | ( 9)                         | ( 10)                           | ( 10)                           | ( 10)                          | ( 11)                          | ( 11)                          | ( 11)                          | ( 17)                          | ( 12)                          | ( 12)                          |
| deposits to reserve                          | 17                           | 16                              | 23                              | 23                             | 23                             | 23                             | 23                             | 29                             | 24                             | 24                             |
| <b>Closing balance</b>                       | <b>456</b>                   | <b>462</b>                      | <b>475</b>                      | <b>488</b>                     | <b>500</b>                     | <b>512</b>                     | <b>524</b>                     | <b>536</b>                     | <b>548</b>                     | <b>560</b>                     |

## reserves contribution reserve (subdivision contributions)

### purpose

To fund the creation of new recreational areas/reserves.

### contributions

Financial contributions per conditions of resource consent.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Subdivision Contributions opening balance | 48                           | 41                              | 51                              | 75                             | 110                            | 164                            | 222                            | 284                            | 350                            | 421                            |
| withdrawals from reserve                  | ( 52)                        | ( 36)                           | ( 24)                           | ( 16)                          | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                       | 45                           | 46                              | 48                              | 51                             | 54                             | 58                             | 62                             | 66                             | 71                             | 76                             |
| <b>Closing balance</b>                    | <b>41</b>                    | <b>51</b>                       | <b>75</b>                       | <b>110</b>                     | <b>164</b>                     | <b>222</b>                     | <b>284</b>                     | <b>350</b>                     | <b>421</b>                     | <b>497</b>                     |

## rural fire authority reserve

### purpose

To fund the expenditure associated with major rural fires and any significant renewals capital expenditure required for the rural fire activity.

### contributions

- NIL

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Rural Fire Authority Reserve opening balance | 94                           | 98                              | 101                             | 106                            | 111                            | 116                            | 121                            | 127                            | 133                            | 139                            |
| withdrawals from reserve                     | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                          | 4                            | 3                               | 5                               | 5                              | 5                              | 5                              | 6                              | 6                              | 6                              | 6                              |
| <b>Closing balance</b>                       | <b>98</b>                    | <b>101</b>                      | <b>106</b>                      | <b>111</b>                     | <b>116</b>                     | <b>121</b>                     | <b>127</b>                     | <b>133</b>                     | <b>139</b>                     | <b>145</b>                     |

## land sales reserves

### purpose

- To fund purchase of land, key strategic assets and obtaining fee simple ownership of leasehold property.
- To fund other significant projects as decided by Council as part of the Annual Plan (all activities).

### contributions

- Net proceeds of land sold (not Harbour Board Endowment Land)

### forecast balance based on this long term plan

|                                   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|-----------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Land Sale Reserve opening balance | 519                          | 434                             | 337                             | 209                            | 87                             | 379                            | 454                            | 504                            | 602                            | 499                            |
| withdrawals from reserve          | ( 122)                       | ( 126)                          | ( 151)                          | ( 138)                         | ( 138)                         | ( 142)                         | ( 146)                         | ( 150)                         | ( 161)                         | ( 191)                         |
| deposits to reserve               | 37                           | 29                              | 23                              | 16                             | 430                            | 217                            | 196                            | 248                            | 58                             | 27                             |
| <b>Closing balance</b>            | <b>434</b>                   | <b>337</b>                      | <b>209</b>                      | <b>87</b>                      | <b>379</b>                     | <b>454</b>                     | <b>504</b>                     | <b>602</b>                     | <b>499</b>                     | <b>335</b>                     |

## District planning reserve

### purpose

To fund any large costs arising from District Plan reviews or one-off projects associated with planning and regulations.

### contributions

- Levies against applicants for variations to District Plan or specific actions.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| District Planning Reserve opening balance | 50                           | 52                              | 54                              | 57                             | 60                             | 63                             | 66                             | 69                             | 72                             | 75                             |
| withdrawals from reserve                  | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                       | 2                            | 2                               | 3                               | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              |
| <b>Closing balance</b>                    | <b>52</b>                    | <b>54</b>                       | <b>57</b>                       | <b>60</b>                      | <b>63</b>                      | <b>66</b>                      | <b>69</b>                      | <b>72</b>                      | <b>75</b>                      | <b>78</b>                      |

## maori land compensation reserve

### purpose

To fund part of the rent increases on land leased from the Mawhera Incorporation (all activities with associated leases).

### contributions

- N/A

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Maori Land Compensation Reserve opening balance | 395                          | 369                             | 315                             | 287                            | 255                            | 223                            | 185                            | 145                            | 101                            | 55                             |
| withdrawals from reserve                        | ( 40)                        | ( 66)                           | ( 43)                           | ( 45)                          | ( 43)                          | ( 47)                          | ( 47)                          | ( 49)                          | ( 49)                          | ( 51)                          |
| deposits to reserve                             | 14                           | 12                              | 15                              | 13                             | 11                             | 9                              | 7                              | 5                              | 3                              | 1                              |
| <b>Closing balance</b>                          | <b>369</b>                   | <b>315</b>                      | <b>287</b>                      | <b>255</b>                     | <b>223</b>                     | <b>185</b>                     | <b>145</b>                     | <b>101</b>                     | <b>55</b>                      | <b>5</b>                       |

## harbour endowment land sales reserve

### purpose

- to fund any operating deficits of port related activities

### contributions

- Proceeds of sale of Harbour Endowment land.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Harbour Endowment land Reserves opening balance | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| withdrawals from reserve                        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                             | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| <b>Closing balance</b>                          | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |

## mclashan trust

### purpose

Maintenance development of war memorial areas in the District (parks and reserves activity).

### contributions

Annual contribution received from the Trust.

### forecast balance based on this long term plan

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| McGlashan Trust opening balance | 8                            | 9                               | 10                              | 11                             | 12                             | 13                             | 14                             | 15                             | 16                             | 17                             |
| withdrawals from reserve        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve             | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>          | <b>9</b>                     | <b>10</b>                       | <b>11</b>                       | <b>12</b>                      | <b>13</b>                      | <b>14</b>                      | <b>15</b>                      | <b>16</b>                      | <b>17</b>                      | <b>18</b>                      |

**e. white bequest****purpose**

Surface development/maintenance of reserve land lying alongside or adjacent to the Greymouth/Hokitika railway line, including Petrie Avenue (parks and reserves, parking).

**contributions**

N/A.

**forecast balance based on this long term plan**

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| E White Bequest opening balance | 32                           | 33                              | 34                              | 36                             | 38                             | 40                             | 42                             | 44                             | 46                             | 48                             |
| withdrawals from reserve        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve             | 1                            | 1                               | 2                               | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              | 2                              |
| <b>Closing balance</b>          | <b>33</b>                    | <b>34</b>                       | <b>36</b>                       | <b>38</b>                      | <b>40</b>                      | <b>42</b>                      | <b>44</b>                      | <b>46</b>                      | <b>48</b>                      | <b>50</b>                      |

**mayoral flood relief fund****purpose**

To assist victims of flooding.

**contributions**

N/A

**forecast balance based on this long term plan**

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Mayoral Flood Relief Fund opening balance | 6                            | 6                               | 6                               | 7                              | 7                              | 7                              | 8                              | 8                              | 8                              | 9                              |
| withdrawals from reserve                  | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                       | -                            | -                               | 1                               | -                              | -                              | 1                              | -                              | -                              | 1                              | -                              |
| <b>Closing balance</b>                    | <b>6</b>                     | <b>6</b>                        | <b>7</b>                        | <b>7</b>                       | <b>7</b>                       | <b>8</b>                       | <b>8</b>                       | <b>8</b>                       | <b>9</b>                       | <b>9</b>                       |



## citizens emergency relief fund

### purpose

Assistance to flood victims.

### contributions

N/A

### forecast balance based on this long term plan

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Citizens Emergency Relief Fund opening balance | 54                           | 56                              | 58                              | 61                             | 64                             | 67                             | 70                             | 73                             | 76                             | 79                             |
| withdrawals from reserve                       | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                            | 2                            | 2                               | 3                               | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              | 3                              |
| <b>Closing balance</b>                         | <b>56</b>                    | <b>58</b>                       | <b>61</b>                       | <b>64</b>                      | <b>67</b>                      | <b>70</b>                      | <b>73</b>                      | <b>76</b>                      | <b>79</b>                      | <b>82</b>                      |

## perotti bequest

### purpose

A bequest for general municipal purposes (any activities).

### contributions

N/A

### forecast balance based on this long term plan

|                                 | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Perotti Bequest opening balance | 11                           | 11                              | 11                              | 12                             | 13                             | 14                             | 15                             | 16                             | 17                             | 18                             |
| withdrawals from reserve        | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve             | -                            | -                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>          | <b>11</b>                    | <b>11</b>                       | <b>12</b>                       | <b>13</b>                      | <b>14</b>                      | <b>15</b>                      | <b>16</b>                      | <b>17</b>                      | <b>18</b>                      | <b>19</b>                      |

**peters bequest****purpose**

To purchase talking books for the library.

**contributions**

N/A

**forecast balance based on this long term plan**

|  | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Peters Bequest - Talking Books opening balance | 31                           | 30                              | 29                              | 28                             | 27                             | 26                             | 25                             | 24                             | 23                             | 22                             |
| withdrawals from reserve                       | ( 2)                         | ( 2)                            | ( 2)                            | ( 2)                           | ( 2)                           | ( 2)                           | ( 2)                           | ( 2)                           | ( 2)                           | ( 2)                           |
| deposits to reserve                            | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>                         | <b>30</b>                    | <b>29</b>                       | <b>28</b>                       | <b>27</b>                      | <b>26</b>                      | <b>25</b>                      | <b>24</b>                      | <b>23</b>                      | <b>22</b>                      | <b>21</b>                      |

**vera corbett bequest****purpose**

To purchase library books.

**contributions**

N/A

**forecast balance based on this long term plan**

|                                      | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|--------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Vera Corbett Bequest opening balance | 26                           | 25                              | 24                              | 23                             | 22                             | 21                             | 20                             | 19                             | 17                             | 15                             |
| withdrawals from reserve             | ( 2)                         | ( 2)                            | ( 2)                            | ( 2)                           | ( 2)                           | ( 2)                           | ( 2)                           | ( 3)                           | ( 3)                           | ( 3)                           |
| deposits to reserve                  | 1                            | 1                               | 1                               | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              | 1                              |
| <b>Closing balance</b>               | <b>25</b>                    | <b>24</b>                       | <b>23</b>                       | <b>22</b>                      | <b>21</b>                      | <b>20</b>                      | <b>19</b>                      | <b>17</b>                      | <b>15</b>                      | <b>13</b>                      |

## plant and machinery reserve

### purpose

To replace existing plant (vehicles), or effect major maintenance to existing plant (all activities).

### contributions

- Depreciation on plant and machinery funded.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Plant and Machinery Reserve opening balance | 798                          | 710                             | 662                             | 781                            | 783                            | 691                            | 643                            | 772                            | 764                            | 649                            |
| withdrawals from reserve                    | ( 249)                       | ( 207)                          | ( 52)                           | ( 174)                         | ( 269)                         | ( 224)                         | ( 48)                          | ( 190)                         | ( 299)                         | ( 243)                         |
| deposits to reserve                         | 161                          | 159                             | 171                             | 176                            | 177                            | 176                            | 177                            | 182                            | 184                            | 184                            |
| <b>Closing balance</b>                      | <b>710</b>                   | <b>662</b>                      | <b>781</b>                      | <b>783</b>                     | <b>691</b>                     | <b>643</b>                     | <b>772</b>                     | <b>764</b>                     | <b>649</b>                     | <b>590</b>                     |

## building and property general reserve

### purpose

To fund major maintenance and renewal of Council buildings and associated facilities excluding dedicated reserves (property activity).

### contributions

- Depreciation funded on Council buildings/property and associated facilities.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Building and Property Reserve opening balance | 296                          | 276                             | 238                             | 243                            | 362                            | 464                            | 613                            | 707                            | 861                            | 1,039                          |
| withdrawals from reserve                      | ( 35)                        | ( 52)                           | ( 13)                           | ( 14)                          | ( 35)                          | -                              | ( 65)                          | ( 17)                          | -                              | ( 88)                          |
| deposits to reserve                           | 15                           | 14                              | 18                              | 133                            | 137                            | 149                            | 159                            | 171                            | 178                            | 197                            |
| <b>Closing balance</b>                        | <b>276</b>                   | <b>238</b>                      | <b>243</b>                      | <b>362</b>                     | <b>464</b>                     | <b>613</b>                     | <b>707</b>                     | <b>861</b>                     | <b>1,039</b>                   | <b>1,148</b>                   |

## staff cost reserve

### purpose

- To fund the cost of recruiting and replacing staff (all activities)

### contributions

- Depreciation on furniture and equipment funded.
- \$10,000 from rates per annum.

### forecast balance based on this long term plan

|                                     | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|-------------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Staff Costs Reserve opening balance | 13                           | 24                              | 35                              | 47                             | 60                             | 73                             | 87                             | 101                            | 116                            | 131                            |
| withdrawals from reserve            | -                            | -                               | -                               | -                              | -                              | -                              | -                              | -                              | -                              | -                              |
| deposits to reserve                 | 11                           | 11                              | 12                              | 13                             | 13                             | 14                             | 14                             | 15                             | 15                             | 16                             |
| <b>Closing balance</b>              | <b>24</b>                    | <b>35</b>                       | <b>47</b>                       | <b>60</b>                      | <b>73</b>                      | <b>87</b>                      | <b>101</b>                     | <b>116</b>                     | <b>131</b>                     | <b>147</b>                     |

## corporate equipment and furniture replacement reserve

### purpose

- To fund the upgrade and renewal of office equipment and furniture.
- To fund new office equipment and investment in new technology.

### contributions

- Depreciation on furniture and equipment funded.
- \$10,000 from rates per annum.

### forecast balance based on this long term plan

|   | budget<br>2012/2013<br>\$000 | estimated<br>2013/2014<br>\$000 | estimated<br>2014/2015<br>\$000 | forecast<br>2015/2016<br>\$000 | forecast<br>2016/2017<br>\$000 | forecast<br>2017/2018<br>\$000 | forecast<br>2018/2019<br>\$000 | forecast<br>2019/2020<br>\$000 | forecast<br>2020/2021<br>\$000 | forecast<br>2021/2022<br>\$000 |
|---|------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Corporate Equipment and Furniture Reserve opening balance | 474                          | 381                             | 447                             | 525                            | 600                            | 686                            | 777                            | 874                            | 938                            | 1,044                          |
| withdrawals from reserve                                  | ( 243)                       | ( 85)                           | ( 87)                           | ( 97)                          | ( 93)                          | ( 96)                          | ( 98)                          | ( 110)                         | ( 105)                         | ( 108)                         |
| deposits to reserve                                       | 150                          | 151                             | 165                             | 172                            | 179                            | 187                            | 195                            | 174                            | 211                            | 218                            |
| <b>Closing balance</b>                                    | <b>381</b>                   | <b>447</b>                      | <b>525</b>                      | <b>600</b>                     | <b>686</b>                     | <b>777</b>                     | <b>874</b>                     | <b>938</b>                     | <b>1,044</b>                   | <b>1,154</b>                   |

**[appendix B]      Revenue and financing policy**

## [1] Introduction

The Revenue and Financing Policy is largely the same that was used in Council's previous Long Term Plan. Council is therefore proposing no significant changes. The previous policy disclosed funding principles and policies on an activity by activity basis. For the purposes of this plan the funding has been summarised on a Group of Activity level.

## [2] General policies on funding and sources of funding

### The distribution of benefits

For the purpose of allocation of costs of each Council activity among individuals, groups of individuals and the entire community, it is essential to identify the beneficiaries and the relevant cost of the service used. Economic theory provides three concepts that could be applied to share costs according to beneficiaries.

#### Public Goods

At one extreme are the pure public goods which have two defining characteristics: non-rivalry and non-excludability.

Non-rivalry means that consumption by one party does not reduce the amount of that good or service available to others. In other words, there is no extra cost involved in the consumption of such good or service increases. So the cost is not related to the amount consumed. (e.g. Libraries)

Non-excludability means that it is impossible or extremely costly and difficult to exclude anyone from consuming if they do not pay for the good or the service.

If a good or service has both these two characteristics it is a pure public good; and it will not be possible to allocate the costs to the users of the good or the service.

Because of this, the costs of such goods and services need to be borne by the public as a whole (through rates). Parks and reserves are an example of a service that has the characteristics of a public good.

#### Private Goods

At the other extreme are the pure private goods that have the opposite characteristics – rivalry and excludability. If the service provide by Council benefits identifiable parties and the costs related to the services used by them can be allocated directly to them, such services are called private goods. The costs of these services can be recovered from the consumers in the form of user charges or targeted rates.

### Positive Externalities

The consumption of private goods and services can also result in benefits to third parties – people who don't directly use them. These "spill over effects" or "positive externalities" are also called public or social benefits. They might include the contribution that public toilets make to tourism, libraries, museums and parks make to the social and cultural life and vibrancy of a city. The existence of externalities call for sharing of costs between the private beneficiaries and the community as a whole. The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of costs between private beneficiaries and the community as a whole. However, a clear differentiation is not easy because, in reality, very few goods and services can be treated as pure private or public; most goods and services have some characteristics of both private and public goods (mixed goods). This leads to the adoption of a mix of funding mechanisms.

### General rates and differentials

Council uses general rates as the main source of funding of activities where individual beneficiaries cannot be identified and the allocation of costs to them is not practical or cost effective; or where a part of the benefits accrue to the whole community (directly or indirectly as externalities). The general rates are split into two categories:

1. The Uniform Annual General Charge – which is a fixed charge per rating unit, and the whole District pays the same amount; and
2. General rates – calculated on property value

In its decision making on rating policies, including differentials, Council has considered the factors set out in the Local Government Act 2002.

#### Choice of rating system

Council uses the **Land Value system** to apportion the general rates that are calculated on property value. That is, the total rate requirement arrived at through the Annual Plan process is allocated to properties on the basis of their land value.

Council has considered which rating system is:

- Fairest for most people;
- Easiest for people to understand;
- Efficient for Council to administer; and
- Supported by the public.

In late 2008 public consultation indicated that there was a strong preference in the community for land value rating. Council therefore resolved to continue to rate based on land value. Council has determined that the view of the community has not significantly changed.

### Rating differentials

Council has considered the level of benefit from all of Council's services, and has attempted to identify any major differences in benefit between different categories of ratepayers.

This is a difficult exercise as each individual ratepayer uses, or benefits from, a slightly different mix of Council services. Some people use libraries more than average, while others make greater use of the District's roads. Also, every ratepayer is a stakeholder in the future of the District and will therefore benefit to some extent from the provision of services such as libraries and roads which create a District worth living in.

### Operational expenditure

Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure. Most of Council's day-to-day expenditure comes into this category. Council generates sufficient cash inflow from revenue sources (including rates) to meet cash outflow requirements for operating expenditure over the long term.

Operating expenditure includes the overhead costs. The way in which Council allocates its overheads to different areas of Council operation is important for the Revenue and Financing Policy, particularly for services that are funded fully or mostly from user charges. For these services it is important that overheads are generally allocated on a similar basis as if these services were being operated by the private sector – otherwise users may be asked to pay too much.

Council also faces a number of costs that the private sector does not. These costs (such as running Council meetings and holding elections, as well as legal and policy advice, advocacy and consultation) are not treated as an overhead but rather treated as activities in their own right, and are funded on a stand-alone basis.

Operational expenditure includes depreciation.

Each funding method is described in more detail below, including the situations in which Council will use each method

### General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general District-wide benefit to providing the service, or where there would be an economic inefficiency to implement a targeted rate.

### Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service (e.g. Council reticulated water supply).

### Fees and charges

Where Council has deemed there is a direct or partial benefit to the end user (e.g. building control) it is done through fees and charges. For activities where enforcement action is necessary the exacerbator pays principle applies where practical.

### Interest

Council receives the majority of its interest relating to the special funds it has set aside. The interest earned on these funds is transferred to the special funds balances. A small amount of interest is returned from time to time where Council has excesses of cash on hand, which is used to offset administration (internal) costs.

### Borrowing

Not used for operating expenditure.

### Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified community outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset, and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

Not generally used for operating expenditure. The exception is for port activities where sale of endowment land is used to offset any current and/or prior year operational losses.

### Development contributions

Not currently levied.

### Financial contributions (under the resource management act 1991)

Financial contributions are charged where new development creates increased demand on maintenance of reserves.

### Grants and subsidies

Council receives the majority of Grants and Subsidies in the form of financial assistance from Land New Zealand Transport Agency and are used as an operational source of income for roading where applicable. Grants and subsidies are used in other activities wherever feasible and it is financially prudent to draw down any such funds. Council acts as funding conduit for local service organizations accessing Crown funding assistance..

### Other sources

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

- where funds have been accrued specifically for the purpose; and/or
- where the expenditure is unexpected and unavoidable.

## Capital expenditure

Capital expenditure is the category of spending which creates a new asset, or extends the lifetime of an existing asset. The following sources are available for Council to fund capital expenditure (the costs of replacing an existing asset are not included here as these costs are progressively expensed as depreciation).

Funding sources:

### General rates

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where this is in keeping with the principles of prudent financial management.

### Targeted rates

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where this is in keeping with the principles of prudent financial management.

### Fees and Charges

Capital expenditure is not generally funded from fees and charges. Council may opt to fund some capital expenditure from here where this is in keeping with the principles of prudent financial management.

### Interest

Council receives the majority of its interest relating to the special funds' it has set aside . The interest earned on these funds is transferred to the special funds balances. Council may use the return on these funds to fund capital projects

### Borrowing

To preserve "intergenerational equity", it is Council policy to spread the cost of capital expenditure over the life of the asset, by means of debt. Council will maintain debt at a prudent level in accordance with the Liability Management and Investment Policy.. The benefiting communities service the loan repayments (usually by way of a targeted rate).

### Lump sum contributions

Council appreciates that the benefits of capital expenditure are more appropriately spread over the life of the period the benefit is available. On this basis the preference is to loan fund the expenditure, and meet the required loan repayments through revenue such as targeted rates. However Council will be consulting with the Dobson/Taylorville/Kaiata communities on the options of collecting a lump sum contribution as is available under the rating legislation, to fund the capital costs of the proposed new sewerage scheme.

### Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified community outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset, and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.



Generally set aside for future use, in line with Council's policy on Special Funds. The exception is for port activities where sale of endowment land is used to offset any current and/or prior year operational losses.

#### **Development contributions**

Not currently levied.

#### **Financial contributions (under the resource management act 1991)**

Charged where the demand for Council development in the present and future is from new development

#### **Grants and subsidies**

Council receives the majority of grants and subsidies in the form of financial assistance from Land Transport New Zealand. Subsidies are also used for the development of other infrastructure such as water reticulation and sewage disposal when made available.

#### **Other sources**

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

Special funds are used:

- where funds have been accrued specifically for the purpose; and/or
- where the expenditure is unexpected and unavoidable

### [3] LAND TRANSPORT

The land transport activity contributes to the following outcomes:

| OUTCOME  | CONTRIBUTION  |
|--|---|
| Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient | <ul style="list-style-type: none"> <li>• by providing quality access:</li> <li>• Quality and ease of road access to commercial area(s).</li> <li>• Convenience and quality of footpaths.</li> <li>• Information value of road signage.</li> </ul> |
| Providing affordable, quality essential services   | Roading as an essential service has an important service delivery function.   |

#### Assessment of funding needs

##### Operational expenditure

| WHO BENEFITS  | PERIOD OF BENEFIT | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE   |
|---|-------------------|--|--|---|
| <ul style="list-style-type: none"> <li>• Direct to users of the roads</li> <li>• General benefit to the whole District (positive externality)</li> <li>• Public are free to use District roads without making any direct contribution to Council</li> </ul> | Immediate         | <ul style="list-style-type: none"> <li>• General decline in service potential (General use of asset)</li> <li>• Increased use</li> <li>• Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>• NZTA</li> <li>• Petroleum Tax</li> <li>• General rates</li> </ul> | <ul style="list-style-type: none"> <li>• Council will endeavour to gain the most advantageous financial assistance for both the immediate to medium term, with the balance of funding to be met from general rates.</li> <li>• The District requires an efficient transport network for economic viability, so there is a mix of direct benefit to the users of the network and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district</li> </ul> |

##### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT | WHOSE ACTIONS/INACTIONS CREATE A NEED   | FUNDING SOURCES   | RATIONALE  |
|--|-------------------|---|---|--|
| <ul style="list-style-type: none"> <li>• Users of the new facilities</li> <li>• General benefit to the whole district</li> </ul> | Long Term         | <ul style="list-style-type: none"> <li>• New development</li> <li>• Increased Traffic</li> <li>• Safety improvements</li> </ul> | <ul style="list-style-type: none"> <li>• NZTA</li> <li>• General Rates</li> <li>• Developers</li> <li>• Special Funds</li> <li>• Borrowing</li> </ul> | <ul style="list-style-type: none"> <li>• For the development of new roads, much of the benefit will be gained by future communities, and as such is funded by the developers of the new roads. Generally these assets are then vested in Council, where the Council thereon becomes responsible for the on-going maintenance/renewal of these new assets.</li> <li>• It is also recognised that the new development has a positive influence on the economy of the Grey District, and as such Council can act partly as a facilitator by contributing to the cost of new development.</li> </ul> |

## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies <ul style="list-style-type: none"> <li>NZTA financial assistance</li> </ul>  | MAJOR                   | MAJOR               |
| User Fees <ul style="list-style-type: none"> <li>recoverable works, shared projects</li> </ul>   | MINOR                   | MINOR               |
| Borrowing  | n/a                     | MODERATE            |
| Special funds <ul style="list-style-type: none"> <li>Council funds a share of new developments where it creates an economic benefit to encourage the development</li> </ul>      | MINOR                   | MINOR               |
| Other <ul style="list-style-type: none"> <li>petroleum tax</li> <li>assets vested</li> <li>financial contributions</li> </ul>  | MINOR                   | MINOR               |
| Targeted rates   | n/a                     | n/a                 |
| General rates <ul style="list-style-type: none"> <li>balance of funds required. Set differentially for a more equitable split of who pays what proportion of the rate</li> </ul> | MAJOR                   | MAJOR               |

## Costs and benefits funding the activity distinctly from other activities

Makes up its own group activity statement in LTCCP, significant funding required, with separate general rate set for ratepayer share

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for differential rating, where Council has allocated costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT  | FUTURE  |
|---------------|--|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>   | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [4] STORMWATER

The stormwater activity contributes to the following outcomes:

| OUTCOME                                   | CONTRIBUTION   |
|---|--|
| Growing the local economy                 | Effective stormwater management and land drainage are prerequisites for a healthy, growing economy.                    |
| Affordable, quality services              | Efficient stormwater management is an important essential service which determines enjoyment of property.              |
| Personal and property safety              | Stormwater ponding on land causes damage and compromises access and enjoyment thereof.                                 |
| Sustainable management of the Environment | Ponding has the potential of damaging the environment notably in our case where sewer contamination is still an issue. |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES   | RATIONALE   |
|--|---|--|---|---|
| <ul style="list-style-type: none"> <li>Properties that discharge to Council stormwater system – generally the residential/commercial areas</li> <li>General benefit to the whole District (urban areas serviced by efficient systems)</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>General rates</li> </ul> | <ul style="list-style-type: none"> <li>The District requires efficient stormwater/flood protection assets for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district</li> </ul> |

#### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED   | FUNDING SOURCES   | RATIONALE  |
|--|---|---|---|--|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> <li>General benefit to the whole district</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>New development</li> <li>Demand of current users for increased performance/protection</li> </ul> | <ul style="list-style-type: none"> <li>General Rates</li> <li>Developers</li> <li>Special Funds</li> <li>Borrowing</li> </ul> | <ul style="list-style-type: none"> <li>For the development of new assets, much of the benefit will be gained by future communities, and as such is funded by the developers. Generally these assets are then vested in Council, where the Council thereon becomes responsible for the on-going maintenance/renewal of these new assets.</li> <li>Other new assets are developed to increase the level of service, and as such are loan funded, with the repayment costs spread over the life of the assets.</li> </ul> |

## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies <ul style="list-style-type: none"> <li>NZTA financial assistance may be available for protecting road network assets</li> </ul>  | n/a                     | n/a                 |
| User Fees.   | n/a                     | n/a                 |
| Borrowing  | n/a                     | MAJOR               |
| Special funds <ul style="list-style-type: none"> <li>Council has some specific funds set aside for enhancing/new flood protection works.</li> </ul>                              | n/a                     | MINOR               |
| Other <ul style="list-style-type: none"> <li>Assets vested</li> </ul>  | n/a                     | 0 - 5%              |
| Targeted rates   | n/a                     | n/a                 |
| General rates <ul style="list-style-type: none"> <li>balance of funds required. Set differentially for a more equitable split of who pays what proportion of the rate</li> </ul> | MAJOR                   | MAJOR               |

## Costs and benefits funding the activity distinctly from other activities

Makes up its own group activity statement in LTCCP, significant funding required, with separate general rate set for ratepayer share

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for differential rating, where Council has allocated costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT  | FUTURE  |
|---------------|--|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>   | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [5] WASTEWATER

The wastewater activity contributes to the following outcomes:

| OUTCOME                                   | CONTRIBUTION  |
|---|---|
| Growing the local economy                 | Effective wastewater management is a prerequisite for a healthy, growing economy.   |
| Affordable, quality services              | Efficient wastewater management is an important essential service which determines enjoyment of property and quality of life. |
| Personal and property safety              | Efficient wastewater management is most important for maintaining a healthy community.  |
| Sustainable management of the Environment | The need to treat wastewater to required standards is most important to avoid harm to the environment                         |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES   | RATIONALE   |
|--|---|--|---|---|
| <ul style="list-style-type: none"> <li>Properties that discharge to Council sewerage system – generally the residential/commercial areas</li> <li>General benefit to the whole District (urban areas serviced by efficient and environmentally compliant systems)</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset) – Ratepayers and other public such as campervans at dump stations</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>Targeted rates</li> <li>User fees</li> </ul> | <ul style="list-style-type: none"> <li>Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.</li> </ul> |

#### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE   |
|--|---|--|--|---|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> <li>General benefit to the whole district</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>New development</li> <li>Increasing environmental compliance standards</li> <li>Demand of current users for increased performance/protection</li> </ul> | <ul style="list-style-type: none"> <li>Subsidies</li> <li>Developers</li> <li>Special Funds</li> <li>Borrowing (repayments met from targeted rates)</li> </ul> | <ul style="list-style-type: none"> <li>For the development of new assets, much of the benefit will be gained by future communities,</li> <li>Subsidies are used to maximum advantage wherever possible</li> <li>New assets that are developed to increase the level of service are loan funded, with the repayment costs spread over the life of the assets.</li> </ul> |

## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies <ul style="list-style-type: none"> <li>Ministry of Health subsidies to be used advantageously where available</li> </ul> | n/a                     | MAJOR               |
| User Fees. <ul style="list-style-type: none"> <li>Trade Waste levies</li> </ul>  | MINOR                   | n/a                 |
| Borrowing <ul style="list-style-type: none"> <li>repaid from targeted rates</li> </ul>   | n/a                     | MAJOR               |
| Special funds <ul style="list-style-type: none"> <li>Council has some specific funds set aside for new capital works.</li> </ul>   | n/a                     | MODERATE            |
| Other <ul style="list-style-type: none"> <li>Assets vested</li> </ul>  | n/a                     | MINOR               |
| Targeted rates <ul style="list-style-type: none"> <li>balance of funds required.</li> </ul>  | MAJOR                   | MAJOR               |
| General rates  | n/a                     | n/a                 |

### Costs and benefits funding the activity distinctly from other activities

Makes up its own group activity statement in LTCCP, significant funding required, with separate targeted rate set for ratepayer share

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for targeted rating, where Council allocates all costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

### Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE   |
|---------------|---|--|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Effective treatment and disposal will protect the health of current communities</li> </ul> | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> <li>Effective treatment and disposal will protect the health of current communities</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>  | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>   |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |

## [6] WATER SUPPLY

The water supply activity contributes to the following outcomes:

| OUTCOME                      | CONTRIBUTION   |
|------------------------------|--|
| Growing the local economy    | A good, quality water supply is a prerequisite for a healthy, growing economy.   |
| Affordable, quality services | Water is an important essential service which determines enjoyment of property and quality of life.  |
| Personal and property safety | Water is a basic necessity. It is an important requirement for a healthy community that water must at all times be potable. Easy access to a pressurised water supply is also necessary for fire fighting. |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE   |
|--|---|--|--|---|
| <ul style="list-style-type: none"> <li>Properties that are connected to a Council reticulated water system</li> <li>General benefit to the whole District (urban areas serviced by efficient and compliant systems)</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>Targeted rates</li> </ul> | <ul style="list-style-type: none"> <li>Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.</li> </ul> |

#### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE   |
|--|---|--|--|---|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> <li>General benefit to the whole district</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>New development</li> <li>Increasing environmental compliance standards</li> <li>Demand of current users for increased performance/protection</li> </ul> | <ul style="list-style-type: none"> <li>Subsidies</li> <li>Developers</li> <li>Special Funds</li> <li>Borrowing (repayments met from targeted rates)</li> </ul> | <ul style="list-style-type: none"> <li>For the development of new assets, much of the benefit will be gained by future communities,</li> <li>Subsidies are used to maximum advantage wherever possible</li> <li>New assets that are developed to increase the level of service are loan funded, with the repayment costs spread over the life of the assets.</li> </ul> |



## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies <ul style="list-style-type: none"> <li>Ministry of Health subsidies to be used advantageously where available</li> </ul>                                   | n/a                     | MAJOR               |
| User Fees.   | MINOR                   | MINOR               |
| Borrowing <ul style="list-style-type: none"> <li>repaid from targeted rates</li> </ul>   | n/a                     | MAJOR               |
| Special funds <ul style="list-style-type: none"> <li>Council has some specific funds set aside for new capital works.</li> </ul>                                     | n/a                     | MINOR               |
| Other <ul style="list-style-type: none"> <li>Assets vested</li> <li>financial contributions</li> <li>Financial contributions – developers of new sections</li> </ul> | n/a                     | MINOR               |
| Targeted rates <ul style="list-style-type: none"> <li>balance of funds required (includes water meter rates)</li> </ul>  | MAJOR                   | n/a                 |
| General rates  | n/a                     | n/a                 |

### Costs and benefits funding the activity distinctly from other activities

Makes up its own group activity statement in LTCCP, significant funding required, with separate targeted rate set for ratepayer share

| Costs  | Benefits  |
|--|---|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for targeted rating, where Council allocates all costs to those sectors that benefit (refer Funding Impact Statement)</li> </ul> |

### Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT  | FUTURE  |
|---------------|--|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>   | <ul style="list-style-type: none"> <li>Recovery from developers may discourage development and hinder economic growth</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [7] SOLID WASTE MANAGEMENT

The solid waste management activity contributes to the following outcomes:

| OUTCOME                                   | CONTRIBUTION   |
|---|--|
| Growing the local economy                 | Good waste management contributes to creating an environment conducive to growth of the economy.   |
| Affordable, quality services              | Waste management is an important essential service which determines health, amenity, enjoyment of property and quality of life.  |
| Personal and property safety              | Good waste management is an important requirement for a healthy community.   |
| Sustainable management of the environment | Uncontained refuse can have detrimental impacts on the environment. Similarly, there is an important requirement on efficient and responsible landfill management as a means of reducing the impact on the environment |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS  | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE   |
|---|---|--|--|---|
| <ul style="list-style-type: none"> <li>Properties that have a kerbside refuse collection available</li> <li>General benefit to the whole District to have a compliant waste facility</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> </ul> | <ul style="list-style-type: none"> <li>Targeted rates</li> <li>General rates</li> <li>User fees</li> </ul> | <ul style="list-style-type: none"> <li>The demand for the operation and maintenance of facilities is created by the present community</li> <li>There is a direct benefit for those properties that can have their waste collected, therefore a targeted rate is struck to cover these costs.</li> <li>Excess users of refuse collection pay additional user fees</li> <li>Those that use facilities direct cover the relevant costs by way of user fees</li> <li>There is a District wide benefit to having a compliant facility; therefore other costs are covered by a separate general rate set differentially across the district.</li> </ul> |

#### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED   | FUNDING SOURCES  | RATIONALE  |
|--|---|---|--|--|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> <li>General benefit to the whole district</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>Growing district</li> <li>Increasing environmental compliance standards</li> <li>Demand of current users for increased level of service</li> </ul> | <ul style="list-style-type: none"> <li>Special Funds</li> <li>Borrowing</li> </ul> | <ul style="list-style-type: none"> <li>For the development of new assets, much of the benefit will be gained by future communities,</li> <li>New assets that are developed to increase the level of service are loan funded, with the repayment costs spread over the life of the assets.</li> </ul> |

## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies  | n/a                     | n/a                 |
| User Fees. <ul style="list-style-type: none"> <li>Cost of disposing waste in District facility</li> </ul>                        | MAJOR                   | MODERATE            |
| Borrowing <ul style="list-style-type: none"> <li>repaid from rates and user fees</li> </ul>                                      | n/a                     | MAJOR               |
| Special funds <ul style="list-style-type: none"> <li>Council has some specific funds set aside for new capital works.</li> </ul> | n/a                     | MINOR               |
| Other  | n/a                     | n/a                 |
| Targeted rates <ul style="list-style-type: none"> <li>Cost of operating collection and disposal of waste collected</li> </ul>    | MAJOR                   | MODERATE            |
| General rates <ul style="list-style-type: none"> <li>balance of funds required</li> </ul>  | MODERATE                | MODERATE            |

## Costs and benefits funding the activity distinctly from other activities

Makes up its own group activity statement in LTCCP, significant funding required, with a separate targeted rate and a separate general rate set for ratepayer share

| Costs  | Benefits  |
|--|---|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for targeted rating, where Council allocates all costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> <li>Allows for differential rating, where Council has allocated costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE  |
|---------------|---|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul>          | <ul style="list-style-type: none"> <li>Represents a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>User fees may encourage waste minimization thereby reducing volumes disposed in the landfill.</li> <li>Users fees may encourage illegal dumping</li> </ul> | <ul style="list-style-type: none"> <li>Future users meet the future costs arising from maintaining closed land-fills.</li> <li>User fees may encourage waste minimization thereby reducing volumes disposed in the landfill</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [8] EMERGENCY MANAGEMENT

The emergency management activities contribute to the following outcomes:

| OUTCOME                      | CONTRIBUTION   |
|------------------------------|--|
| Growing the local economy    | Having in place competent services to cope with emergencies builds confidence which is an important requirement for economic growth and stability. |
| Personal and property safety | The ability to be prepared for and then to competently deal with emergencies are important for public safety.                                      |

### Assessment of funding needs

#### Operational and capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE  |
|--|---|--|--|--|
| <ul style="list-style-type: none"> <li>General benefit to the whole District to having a managed service.</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>Statutory responsibility</li> <li>indiscriminate use of fires, runaway fires etc</li> </ul> | <ul style="list-style-type: none"> <li>General rates</li> <li>User fees</li> <li>Subsidies</li> <li>Borrowing</li> </ul> | <ul style="list-style-type: none"> <li>The demand for management of civil defence and rural fire responsibilities is created by the present community</li> <li>There is a District wide benefit to having a managed service; therefore other costs are covered by a separate general rate set differentially across the district.</li> </ul> |

### Funding summary

| Source of funds   | Level of funding        |                     |
|---|-------------------------|---------------------|
|   | Operational expenditure | Capital expenditure |
| Subsidies   | n/a                     | n/a                 |
| User Fees. <ul style="list-style-type: none"> <li>Recovery of costs incurred responding to events from any liable party.</li> </ul> | MINOR                   | n/a                 |
| Borrowing   | n/a                     | MAJOR               |
| Special funds   | n/a                     | n/a                 |
| Other   | n/a                     | n/a                 |
| Targeted rates  | n/a                     | n/a                 |
| General rates <ul style="list-style-type: none"> <li>balance of funds required</li> </ul>   | MAJOR                   | n/a                 |

### Costs and benefits funding the activity distinctly from other activities

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders, including ratepayers</li> <li>Accountability</li> <li>Allows for differential rating, where Council has allocated costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

### Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE  |
|---------------|---|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a low to moderate cost to be paid by the general ratepayer</li> </ul> | <ul style="list-style-type: none"> <li>Represents a low to moderate cost to be paid by the general ratepayer</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [9] ENVIRONMENTAL SERVICES

The environmental services activities contribute to the following outcomes:

| OUTCOME                                   | CONTRIBUTION  |
|---|---|
| Growing the local economy                 | Sound spatial planning and sensitive, constructive regulation provide for certainty, order and harmony which is most necessary for economic growth and stability. |
| Affordable, quality services              | The group of activities involves service delivery which determines quality of life, enjoyment of property.  |
| Personal and property safety              | The group of activities involves service delivery which contribute strongly to personal and property safety.  |
| Sustainable management of the environment | The emphasis of this group of activities is strongly on sustainability with the focus both on people and the environment  |

### Assessment of funding needs

#### Operational and capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT  | WHOSE ACTIONS/INACTIONS CREATE A NEED   | FUNDING SOURCES  | RATIONALE  |
|--|--|---|--|--|
| <ul style="list-style-type: none"> <li>Those that apply for consents</li> <li>General benefit to the whole District by having policies and plans that reflect the community's views</li> </ul> | <ul style="list-style-type: none"> <li>Consenting work provides benefit to the applicant both present and into the future.</li> <li>Policy provides current and ongoing benefits through the sustainable and harmonious development of Council/Community vision .</li> </ul> | <ul style="list-style-type: none"> <li>Those applying for consents</li> <li>Consent holders</li> <li>Statutory responsibilities</li> <li>Those who have dogs/stock in the district</li> <li>Those that fail to control dog/stock</li> <li>Those with properties that are considered untidy</li> <li>The majority who favour an attractive and tidy district</li> <li>Those with premises required to be licensed</li> <li>Statutory responsibilities</li> </ul> | <ul style="list-style-type: none"> <li>User fees</li> <li>General rates</li> <li>Subsidies/ donations</li> </ul> | <ul style="list-style-type: none"> <li>Planning provides current and on-going benefits through the sustainable development of Council/Community vision</li> <li>The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees.</li> <li>Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates</li> <li>The benefit of having effective dog control is shared equally by all in the district.</li> <li>As the need for the activity is created by dog owners, the majority of costs are to be met by those generated the need</li> <li>Enforcement - Whilst in principle the ideal would be to recover the majority of costs from those creating the demand (exacerbator) The reality is it is inherently difficult to recover the costs.</li> <li>Enforcement - As there is a collective benefit remaining costs are met by the general ratepayer.</li> <li>Health regulation - Direct inspection and licensing costs are recovered from premises involved.</li> <li>Health regulation - As there is a collective benefit remaining costs are met by the general ratepayer.(Public Goods)</li> </ul> |

## Funding summary

| Source of funds   | Level of funding        |                     |
|---|-------------------------|---------------------|
|   | Operational expenditure | Capital expenditure |
| Subsidies <ul style="list-style-type: none"> <li>any available subsidies will be used to maximum advantage (mainly applies to policy work)</li> </ul> | MINOR                   | MINOR               |
| User Fees.  | MAJOR                   | n/a                 |
| Borrowing   | n/a                     | n/a                 |
| Special funds   | n/a                     | n/a                 |
| Other   | n/a                     | n/a                 |
| Targeted rates  | n/a                     | n/a                 |
| General rates <ul style="list-style-type: none"> <li>balance of funds required.</li> </ul>  | MODERATE                | n/a                 |

## Costs and benefits funding the activity distinctly from other activities.

| Costs  | Benefits  |
|--|---|
| <ul style="list-style-type: none"> <li>minor additional costs of planning on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Accountability</li> <li>Allows for differential rating, where Council has allocated costs to those sectors that benefit (refer <i>Funding Impact Statement</i>)</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE  |
|---------------|---|---|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represent a cost to be met by the ratepayer</li> <li>User fee recovery may discourage unwanted dog ownership</li> <li>User fee recovery may discourage dog registration</li> </ul> | <ul style="list-style-type: none"> <li>Represent a cost to be met by the ratepayer</li> </ul>                                       |
| ECONOMIC      | <ul style="list-style-type: none"> <li>User fee recovery may discourage development and hinder economic growth</li> </ul>   | <ul style="list-style-type: none"> <li>User fee recovery may discourage development and hinder economic growth</li> <li></li> </ul> |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>User fees and penalties will create a tidier social environment.</li> </ul>  | <ul style="list-style-type: none"> <li>User fees and penalties will create a tidier social environment</li> </ul>                   |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>   |

## [10] OTHER TRANSPORT

The other transport activities contribute to the following outcomes:

| OUTCOME                   | CONTRIBUTION  |
|---------------------------|---|
| Growing the local economy | The three components of the group of activities contribute strongly to the local economy. |

### Assessment of funding needs

#### Operational and capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES   | RATIONALE  |
|--|---|--|---|--|
| <ul style="list-style-type: none"> <li>Direct to users of the facility</li> <li>General benefit to the whole District (accessibility)</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>User charges</li> <li>General rates</li> </ul> | <ul style="list-style-type: none"> <li>Airport and Port - With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users.</li> <li>The airport and port as an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit.</li> <li>Parking - Costs are recovered from users of dedicated parking facilities</li> <li>Parking Regulation/enforcement costs are recovered from fines</li> <li>General benefit available to all by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.</li> </ul> |

### Funding summary

| Source of funds   | Level of funding        |                     |
|---|-------------------------|---------------------|
|   | Operational expenditure | Capital expenditure |
| Subsidies   | n/a                     | n/a                 |
| User Fees   | MAJOR                   | n/a                 |
| Borrowing <ul style="list-style-type: none"> <li>repaid from rates and user fees</li> </ul> | n/a                     | MAJOR               |
| Special funds   | MINOR                   | MINOR               |
| Other   | MINOR                   | MINOR               |
| Targeted rates  | n/a                     | n/a                 |
| General rates <ul style="list-style-type: none"> <li>balance of funds required.</li> </ul>  | MAJOR                   | n/a                 |



### Costs and benefits funding the activity distinctly from other activities

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Accountability</li> </ul> |

### Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT  | FUTURE   |
|---------------|--|--|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represent a significant cost to be met by the ratepayer, especially due to low use frequency</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represent a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>Additional user fee recovery may result in decline in use of the facility</li> </ul>  | <ul style="list-style-type: none"> <li>Additional user fee recovery may result in decline in use of the facility</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>  | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |

## [11] PROPERTY AND HOUSING

The property and housing activities contribute to the following outcomes:

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | Council is committed to releasing Council owned land not needed for future service delivery, for development.   |
| Affordable quality services. | Council sees the provision of convenient, quality retirement housing facilities as an important service to the elderly community.<br>It also recognises its service responsibilities to Lessees of Council owned land and buildings in terms of the applicable leases |
| Personal and Property safety | Retirement Housing offers security, convenience and stability to occupants.   |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS  | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES   | RATIONALE   |
|---|---|--|---|---|
| <ul style="list-style-type: none"> <li>Direct to users of the facility</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>User charges</li> <li>Internal Recoveries</li> </ul> | <ul style="list-style-type: none"> <li>Retirement Housing - The majority of benefit is received by the tenants and therefore 100% user fee recovery.</li> <li>Costs of providing municipal buildings are recovered from the activities supported (internal recoveries)</li> <li>Other recoveries are from occupiers of Council property, such as land leases and tenants.</li> <li>Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).</li> </ul> |

#### Capital expenditure

| WHO BENEFITS  | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED   | FUNDING SOURCES   | RATIONALE   |
|---|---|---|---|---|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>Increased demand</li> <li>Increased service levels demand</li> </ul> | <ul style="list-style-type: none"> <li>Special Funds</li> <li>Borrowing</li> <li>Subsidies</li> </ul> | <ul style="list-style-type: none"> <li>Retirement Housing - The majority of benefit is received by the tenants and therefore 100% user fee recovery.</li> <li>For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit</li> </ul> |

## Funding summary

| Source of funds   | Level of funding        |                     |
|---|-------------------------|---------------------|
|   | Operational expenditure | Capital expenditure |
| Subsidies   | n/a                     | MINOR               |
| User Fees   | MAJOR                   | n/a                 |
| Borrowing <ul style="list-style-type: none"> <li>repaid from user fees</li> </ul>         | n/a                     | MAJOR               |
| Special funds   | n/a                     | MODERATE            |
| Internal Recoveries <ul style="list-style-type: none"> <li>Overheads recovered</li> </ul> | n/a                     | n/a                 |
| Other   | n/a                     | n/a                 |
| Targeted rates  | n/a                     | n/a                 |
| General rates   | n/a                     | n/a                 |

## Costs and benefits funding the activity distinctly from other activities

| Costs  | Benefits  |
|--|---|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Transparency to funders</li> <li>Accountability</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE   |
|---------------|---|--|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represents a cost to be met by the user</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represents a cost to be met by the user</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul>   |
| ECONOMIC      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>Any 'non market' rental recovery may represent an increased cost to be met by future users.</li> <li>Use of special funds mean there is an opportunity cost, i.e. those funds will not be available for future use. Alternative sources of funding will be required for future projects.</li> </ul> |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |

## [12] COMMUNITY FACILITIES AND EVENTS

The community facilities and events activities contribute to the following outcomes:

| OUTCOME                      | CONTRIBUTION   |
|------------------------------|--|
| Growing the local economy    | Without these services, a community will have no “core” and will not be sustainable. These services also strongly appeal to visitors.  |
| Affordable quality services. | Given the importance of these services, it must be of good quality, affordable and accessible  |
| Building local identity      | These services fall under the collective heading of “recreation” which is an important part of life in a community. Apart from the social interaction benefits, it does provide a community with an identity and a sense of belonging. |

### Assessment of funding needs

#### Operational expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES   | RATIONALE  |
|--|---|--|---|--|
| <ul style="list-style-type: none"> <li>Direct to users of the facility</li> <li>General benefit to the whole District (quality community and recreational services)</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>General decline in service potential (General use of asset)</li> <li>Increased use</li> <li>Emergency re-instatement</li> </ul> | <ul style="list-style-type: none"> <li>User charges</li> <li>General rates</li> <li>Developers</li> </ul> | <ul style="list-style-type: none"> <li>User fees recovered where practical</li> <li>Where activity is a non-exclusive service – funded from general rates</li> </ul> |

#### Capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED  | FUNDING SOURCES  | RATIONALE  |
|--|---|--|--|--|
| <ul style="list-style-type: none"> <li>Users of the new facilities</li> <li>General benefit to the whole district</li> </ul> | <ul style="list-style-type: none"> <li>Long Term</li> </ul> | <ul style="list-style-type: none"> <li>Increased demand</li> <li>Increased service levels</li> </ul> | <ul style="list-style-type: none"> <li>Special Funds</li> <li>Borrowing</li> <li>Developers</li> </ul> | <ul style="list-style-type: none"> <li>Reserve contributions, levied to recover costs of providing new facilities for growing district.</li> <li>For the development of other new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit</li> </ul> |

## Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies  | MINOR                   | MAJOR               |
| User Fees  | MODERATE                | n/a                 |
| Borrowing <ul style="list-style-type: none"> <li>repayments funded from rates</li> </ul>   | n/a                     | MAJOR               |
| Special funds  | n/a                     | MODERATE            |
| Other <ul style="list-style-type: none"> <li>Reserve contributions</li> </ul>              | n/a                     | MINOR               |
| General rates <ul style="list-style-type: none"> <li>balance of funds required.</li> </ul> | MAJOR                   | n/a                 |

## Costs and benefits funding the activity distinctly from other activities

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>Accountability</li> </ul> |

## Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT   | FUTURE   |
|---------------|---|--|
| SOCIAL        | <ul style="list-style-type: none"> <li>Represent a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> </ul> | <ul style="list-style-type: none"> <li>Represent a significant cost to be met by the ratepayer</li> <li>Capital programme represents an increased maintenance cost to be met</li> <li>Capital programme represents a future decline in service potential cost to be met</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>Use of special funds mean there is an opportunity cost, i.e. those funds will not be available for future use. Alternative sources of funding will be required for future projects.</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>n/a</li> </ul>   | <ul style="list-style-type: none"> <li>n/a</li> </ul>  |

## [13] DEMOCRACY AND ADMINISTRATION

The democracy and administration activities contribute to the following outcomes:

| OUTCOME                      | CONTRIBUTION  |
|------------------------------|---|
| Growing the local economy    | Without confidence in the leadership of Council, an economy is unlikely to grow. Services like health, education and safety are all most important for growth, and Council plays an important facilitation and leadership role in ensuring the best and most appropriate services are provided to the district. |
| Affordable quality services. | One of the focus areas for Council in its consultation with external service providers is the need to keep services to a high standard, accessible and affordable to the community.   |

### Assessment of funding needs

#### Operational and capital expenditure

| WHO BENEFITS   | PERIOD OF BENEFIT   | WHOSE ACTIONS/INACTIONS CREATE A NEED                                      | FUNDING SOURCES   | RATIONALE  |
|--|---|--|---|--|
| <ul style="list-style-type: none"> <li>The benefits apply to the community as a whole as the administration serves individuals and properties throughout the District</li> </ul> | <ul style="list-style-type: none"> <li>Immediate</li> </ul> | <ul style="list-style-type: none"> <li>Statutory responsibility</li> </ul> | <ul style="list-style-type: none"> <li>General rates</li> <li>User fees</li> <li>Internal recoveries</li> </ul> | <ul style="list-style-type: none"> <li>Recover user fees where service provided directly benefits a private party.</li> <li>Balance non-exclusive service –recovered from external activities</li> </ul> |

### Funding summary

| Source of funds  | Level of funding        |                     |
|--|-------------------------|---------------------|
|  | Operational expenditure | Capital expenditure |
| Subsidies  | n/a                     | n/a                 |
| User Fees  | MINOR                   | n/a                 |
| Borrowing  | n/a                     | MAJOR               |
| Special funds  | n/a                     | MODERATE            |
| Internal Recoveries <ul style="list-style-type: none"> <li>recovery of overheads</li> </ul>    | MAJOR                   | MAJOR               |
| Other  | MINOR                   | n/a                 |
| Targeted rates <ul style="list-style-type: none"> <li>District promotion</li> </ul>            | MINOR                   | n/a                 |
| General rates <ul style="list-style-type: none"> <li>net cost of democratic process</li> </ul> | MAJOR%                  | n/a                 |

### Costs and benefits funding the activity distinctly from other activities

| Costs  | Benefits   |
|--|--|
| <ul style="list-style-type: none"> <li>• minor additional costs of planning and reporting on a separate basis</li> </ul> | <ul style="list-style-type: none"> <li>• Accountability</li> </ul> |

### Impact of any allocation of liability for revenue needs on the current and future wellbeings

| WELLBEING     | CURRENT  | FUTURE   |
|---------------|--|--|
| SOCIAL        | <ul style="list-style-type: none"> <li>• Represents a significant cost to be met by the ratepayer</li> </ul> | <ul style="list-style-type: none"> <li>• Represents a significant cost to be met by the ratepayer</li> </ul> |
| ECONOMIC      | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  |
| ENVIRONMENTAL | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  |
| CULTURAL      | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  | <ul style="list-style-type: none"> <li>• n/a</li> </ul>  |

**[appendix C]      Significance policy**



## [1] Introduction

A Policy determining Council's stance on significance as it impacts on:

- activities
- decision-making
- strategic assets

The Local Government Act 2002 heralds a new philosophy to representative democracy with, as a central consideration, a new framework on consultation and decision-making. The Act provides for a significance judgement to be made in this and the purpose of this policy is to determine the rules and protocols that will apply. The measure of significance will determine the measure of consultation undertaken and the criteria that will be applied in making decisions. This should not be read as decisions on matters on the lower end of the significance continuum to be glanced over without consultation.

In determining the question of significance, the Act defines significant as "having a high degree of importance" in terms of -

- the District's current and future economic, environmental, social, or cultural wellbeing.
- its likely impact on the people who are interested in or affected by the decision.
- the capacity of the Council, also on financial grounds, to implement the decision and carry out its normal role.

It is for Council to decide what high degree of importance means in each instance. This and associated matters are provided for in this policy. The significance issue per the Act is important in respect of -

- activities (Sections 88 & 97)
- decisions (Section 76(3)(b))
- assets (Sections 5 & 97)

Section 90 of the Act requires a local authority to make a policy setting out -

- the authority's general approach to determining significance
- any thresholds, criteria or procedures to determine significance
- strategic assets.

## [2] General approach to significance of proposals or decisions

Council is committed to deciding this question on a case-by-case basis. Notwithstanding this, Council will afford significance to any proposal or decision based on the following criteria:

- the likely impact/consequences on current and future social, economic, environmental and cultural wellbeing of the community.
- who is likely to be particularly affected by, or interested in, the decision or proposal.
- how the proposal/decision is likely to impact on the affected parties.
- the financial/non-monetary costs and implications having regard to Council's capacity to perform its role.

The above is aimed at ensuring that any matter or decision receives attention and consideration relevant to its importance to the District. The higher the degree of significance, the higher the measure of procedural compliance.

Matters with a significant classification will not be progressed other than in full compliance with Sections 77, 78, 80, 81 and 82 of the Act. Where the power to make decisions has been delegated to officers, Council will ensure that the specific requirements regarding significance are provided for in a positive, responsible manner.

## [3] Thresholds, criteria and procedures to determine significance

Proposals or decisions will be measured according to the following criteria:

| Impact On                     | Significant             | Non-Significant                                     |
|-------------------------------|-------------------------|---|
| Council direction             | Major and long-term     | Medium-Low  |
| Current service levels        | Major and long-term     | Medium-Low  |
| Public and/or public interest | Major and District-wide | Medium-< 40% of District (i.e. number of residents) |
| Rates                         | More than 10% of rates  | Less than 10% of rates                              |
| Council ability               | Major and long-term     | Medium-Low  |

Any proposal/decision with significance ratings on more than one impact criteria per the above will have a significant rating for purposes of this policy. However, Council may afford any matter not complying with this criteria significant status based on other considerations it may deem appropriate under the circumstances.

Notwithstanding this, Council considers the following proposals/decisions to be on the higher end of the significance continuum:

- any decision to transfer the ownership or control of a strategic asset to or from the local authority;
- any decision to construct, replace, or abandon a strategic asset;

- any decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity;
- any decision that, directly or indirectly, will affect significantly the capacity of the local authority, or the cost to the local authority, in relation to any activity identified in Grey District Council's Long Term Community Outcomes Plan.

The Local Government Act includes definitions of "activity" and "group of activities". Grey District Council already categorises its activities into Functions, Activities and Reporting components. Grey District Council considers that:

- a group of activities as defined in the Local Government Act is equivalent to a Function.
- an activity as defined in the Local Government Act is equivalent to a Reporting Component.

## [4] Strategic assets

In keeping with Council's Strategic Plan and also the Act definition of "Strategic Asset" the following are seen to be strategic assets for purposes hereof :

- Roading and traffic network, footpaths, streetlights and parking.
- Council's housing portfolio.
- Council's leasehold portfolio.

- Water, treatment, storage and reticulation network.
- Wastewater reticulation and treatment facilities.
- Stormwater network.
- Reserves.
- Public toilets.
- Cemeteries.
- Council's economic development fund.
- Floodwalls.

Council sees the above as classes of assets. Strategic decisions, therefore, only concern the whole asset class rather than individual components unless the component affects the sustainability of the class of assets. Whilst leasehold land is identified as a strategic asset, it is noted that this land is subject to Council's policy of freeholding land to those lessees that elect to do so (including endowment land leases).

Council accepts that some assets do not fit the legal definition of strategic asset but enjoys high community interest. A good example is the Greymouth Library. Council is committed to consult adequately on issues like this. Decisions required may prove to be significant decisions.

## [5] Relevance to other Council policies

This policy should be read with Council's Consultation and Decision-making Policies. these are available from Council.

## [appendix D] Council Controlled Organisations (CCO's)

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 2009 to exempt these organisations as CCOs due to the relatively small nature and limited scope of the respective organisations. In reviewing the exemptions in March 2012 Council has resolved that the exemptions will still continue.

**[appendix E]****Development of Maori capacity to contribute to decision-making processes**

Through a specific activity, "Efficient and Open Consultation", Council has set specific performance targets relating to the establishment and maintenance of processes in providing opportunities for Maori to contribute to the decision making processes of the Grey District Council. Council's earlier suggestion of negotiating a Memorandum of Understanding was not accepted and a process involving monthly meetings between Council's Portfolio holder for Maori affairs and a representative of Te Runanga O Ngati Waewae has been put in place to pave the way for an agreement on how to achieve the relevant provisions of the Act. This could not be maintained, mostly because the Ngati Waewae representatives are heavily involved in the day to day running of their tribe. The focus has been to maintain functional contact. Council continues to target them for consultation under the special consultative procedure.

Council maintains a cordial and constructive association with both Ngati Waewae as well as the group representing non-local Maori, the latter requiring invigoration. This situation remains a 'status quo' from previous years.

**[appendix F] Fees and charges**

## Errors and Omissions Excepted

These fees cover the major items charged out by Council and are not a comprehensive list of all fees and charges.

| Roading   |                        | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|---|------------------------|--------------------------------|--------------------------------|----------|
| Consent to Undertake Work on Road   |                        | nil                            | nil                            |          |
| Sewerage  |                        | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| <b>Financial Contributions</b>  |                        |                                |                                |          |
| Moana   | <i>per lot</i>         | \$4,791.00                     | \$4,651.00                     | 3.00%    |
| South Beach/Paroa   | <i>per lot</i>         | \$11,476.00                    | \$11,141.00                    | 3.00%    |
| Karoro  | <i>per lot</i>         | \$2,752.00                     | \$2,671.00                     | 3.00%    |
| Boddytown   |                        | \$1,414.00                     | \$1,372.00                     | 3.10%    |
| Cobden  |                        | \$2,000.00                     | \$1,941.00                     | 3.00%    |
| Greymouth   |                        | \$1,414.00                     | \$1,372.00                     | 3.10%    |
| Blackball   |                        | \$805.00                       | \$781.00                       | 3.10%    |
| Other contributions to proposed 'as required' works may be set through separate consultative procedures |                        |                                |                                |          |
| <b>Trade Waste Charges (for all waste disposed in excess of 300m<sup>3</sup> p.a.)</b>                  |                        |                                |                                |          |
| Greymouth Johnston street plant   | <i>per cubic metre</i> | \$0.28                         | \$0.27                         | 3.70%    |
| Tarry Creek treatment plant - indicative costs  | <i>per cubic metre</i> | \$0.63                         | \$0.61                         | 3.30%    |
| Blackball Treatment plant   | <i>per cubic metre</i> | \$0.67                         | \$0.65                         | 3.10%    |
| Karoro Treatment plant  | <i>per cubic metre</i> | \$0.64                         | \$0.62                         | 3.20%    |
| Runanga treatment plant   | <i>per cubic metre</i> | \$0.32                         | \$0.31                         | 3.20%    |
| Cobden Treatment plant  | <i>per cubic metre</i> | \$0.22                         | \$0.21                         | 4.80%    |
| Water   |                        | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| <b>Financial Contributions</b>  |                        |                                |                                |          |
| South Beach/Paroa   | <i>per lot</i>         | \$3,826.00                     | \$3,714.00                     | 3.00%    |
| Karoro  | <i>per lot</i>         | \$1,224.00                     | \$1,188.00                     | 3.00%    |
| Boddytown   | <i>per lot</i>         | \$1,609.00                     | \$1,562.00                     | 3.00%    |
| Cobden  | <i>per lot</i>         | \$765.00                       | \$742.00                       | 3.10%    |
| Greymouth   | <i>per lot</i>         | \$765.00                       | \$742.00                       | 3.10%    |
| Blackball   |                        | \$352.00                       | \$341.00                       | 3.20%    |
| Other contributions to proposed 'as required' works may be set through separate consultative procedures |                        |                                |                                |          |

| Solid Waste (Refuse & Recycling)   |                       | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase     |
|--|-----------------------|--------------------------------|--------------------------------|--------------|
| <b>McLeans Landfill</b>  |                       |                                |                                |              |
| see facilities/Council for a full list of charges  |                       |                                |                                |              |
| Commercial Refuse*   | <i>per tonne</i>      | \$225.00                       | \$140.00                       | 60.70%       |
| Mixed Domestic Waste*  | <i>per tonne</i>      | \$225.00                       | \$140.00                       | 60.70%       |
| Hardfill/Soil*   | <i>per tonne</i>      | \$225.00                       | \$140.00                       | 60.70%       |
| Refuse Bag with Council issued tie   | <i>per bag</i>        | Free                           | Free                           |              |
| Refuse Bag without Council issued tie*   | <i>per bag</i>        | \$4.00                         | \$2.50                         | 60.00%       |
| * minimum charge per weighbridge entrance (trip over weighbridge)                                  |                       |                                |                                |              |
|  |                       | \$12.00                        | n/a                            | new          |
| <b>Tyres</b>   |                       |                                |                                |              |
| Car, Motorbike   | <i>per tyre</i>       | \$6.00                         | \$4.50                         | 33.30%       |
| 4WD  | <i>per tyre</i>       | \$6.00                         | \$4.50                         | 33.30%       |
| Truck  | <i>per tyre</i>       | \$11.00                        | \$8.50                         | 29.40%       |
| Tractor  | <i>per tyre</i>       | \$11.50                        | \$9.00                         | 27.80%       |
| Specialist Industrial  | <i>per tyre</i>       | \$26.00                        | \$20.00                        | 30.00%       |
| Unprepared Car Bodies  | <i>per car</i>        | \$50.00                        | \$40.00                        | 25.00%       |
| Paint/Solvents   | <i>per litre</i>      | \$2.00                         | n/a                            | new charging |
| <b>McLeans Recycling Centre</b>  |                       |                                |                                |              |
| <b>Recyclables</b>   |                       |                                |                                |              |
| Plastics   |                       | Free                           | Free                           | new          |
| Paper  |                       | Free                           | Free                           | new          |
| Cardboard  |                       | Free                           | Free                           | new          |
| Aluminium Cans   |                       | Free                           | Free                           | new          |
| Tin Cans   |                       | Free                           | Free                           | new          |
| Glass  |                       | Free                           | Free                           | new          |
| Light Scrap Metal  |                       | Free                           | Free                           | new          |
| Heavy Scrap Metal  |                       | Free                           | Free                           | new          |
| Whiteware  |                       | Free                           | Free                           | new          |
| LPG Bottles  |                       | Free                           | Free                           | new          |
| Prepared Car Bodies  |                       | Free                           | Free                           | new          |
| Mulchable Green waste  |                       | Free                           | Free                           | new          |
| <b>Resource Centres (Moana/Blackball/Nelson Creek)</b>   |                       |                                |                                |              |
| Refuse Bag with Council issued tie   | <i>per bag</i>        | Free                           | Free                           |              |
| Refuse Bag without Council issued tie  | <i>per bag</i>        | \$2.50                         | \$2.50                         |              |
| Car Boot   | <i>per load</i>       | \$25.00                        | \$18.00                        | 38.90%       |
| Station wagon  | <i>per load</i>       | \$38.00                        | \$27.00                        | 40.70%       |
| Utility Vehicle/Van  | <i>per load</i>       | \$38.00                        | \$27.00                        | 40.70%       |
| Single axle trailer  | <i>per load</i>       | \$50.00                        | \$36.00                        | 38.90%       |
| Tandem Trailer   | <i>per load</i>       | \$82.00                        | \$68.00                        | 20.60%       |
| Truck under 5m <sup>2</sup> , uncompacted general waste  | <i>per load</i>       | \$180.00                       | \$136.00                       | 32.40%       |
| Truck under 5m <sup>2</sup> , compacted general waste<br>or dense material such as building waste. | <i>per load</i>       | \$285.00                       | \$218.00                       | 30.70%       |
| <b>Other</b>   |                       |                                |                                |              |
| Refuse ties  | <i>each</i>           | \$3.00                         | \$2.30                         | 30.40%       |
| Refuse bags (plain)  | <i>per pack of 20</i> | \$9.40                         | \$9.20                         | 2.20%        |

| Rural Fire   |                               | 2012/2013 fee including GST | 2011/2012 fee including GST | increase |
|--|-------------------------------|-----------------------------|-----------------------------|----------|
| Rural Fire Permit  |                               | nil                         | nil                         |          |
| Airport  |                               | 2012/2013 fee including GST | 2011/2012 fee including GST | increase |
| Aircraft weight (kg) MCTOW   |                               |                             |                             |          |
| 0 - 545  | <i>per landing</i>            | \$6.00                      | \$6.00                      |          |
| 546- 1,500   | <i>per landing</i>            | \$10.00                     | \$10.00                     |          |
| 1,501 - 2,500  | <i>per landing</i>            | \$16.00                     | \$16.00                     |          |
| 2,501 - 3,500  | <i>per landing</i>            | \$24.00                     | \$24.00                     |          |
| 3,501 - 4,500  | <i>per landing</i>            | \$35.00                     | \$35.00                     |          |
| 4,501 - 5,700  | <i>per landing</i>            | \$49.00                     | \$49.00                     |          |
| Helicopters  | <i>per landing</i>            | \$6.00                      | \$6.00                      |          |
| Note:  |                               |                             |                             |          |
| • Touch and go Practice Landings treated as One Landing  |                               |                             |                             |          |
| • Discount available for bulk advanced payments by regular users                                 |                               |                             |                             |          |
| • Rates for aircraft weights above 5700kg available on application and clearance to use facility |                               |                             |                             |          |
| Lights   | <i>per activation</i>         | \$7.00                      | \$6.50                      | 7.70%    |
| account processing fee   | <i>per account processing</i> | \$8.00                      | \$8.00                      |          |
| Property   |                               | 2012/2013 fee including GST | 2011/2012 fee including GST | increase |
| Contact Support Services for availability and details  |                               |                             |                             |          |
| Retirement Housing   |                               |                             |                             |          |
| <b>Rental Units to increase in 2012/2013 by \$3.00 per week</b>                                  |                               |                             |                             |          |
| Contact Support Services for availability and details  |                               |                             |                             |          |
| Parking  |                               |                             |                             |          |
| <b>Car Park rentals to increase in 2012/2013 by 50c per week</b>                                 |                               |                             |                             |          |
| Contact Support Services for availability and details  |                               |                             |                             |          |



| Swimming Baths   |                                | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|--|--------------------------------|--------------------------------|--------------------------------|----------|
| <b>Pool Admission</b>  |                                |                                |                                |          |
| Adult  |                                | \$5.50                         | \$5.50                         |          |
| Community Card Holder (CCH)  |                                | \$4.50                         | \$4.50                         |          |
| Children (under 15 yrs)  |                                | \$3.50                         | \$3.50                         |          |
| School Student (with ID)   |                                | \$3.50                         | \$3.50                         |          |
| Parent/Caregiver and Preschooler                                   |                                | \$5.00                         | \$5.00                         |          |
| <b>Family Passes</b>   |                                |                                |                                |          |
| Family – 2 adults and 2 children                                   |                                | \$16.00                        | \$16.00                        |          |
| Family – 1 adult and 2 children                                    |                                | \$11.00                        | \$11.00                        |          |
| Family - 1 adult and 1 child (5yrs+)                               |                                | \$8.00                         | \$8.00                         |          |
| each additional child  |                                | \$3.00                         | \$3.00                         |          |
| <b>Spectators</b>  |                                |                                |                                |          |
|  |                                | free                           | free                           |          |
| <b>Membership admission</b>  |                                |                                |                                |          |
| Adult  | 3 months                       | \$161.50                       | \$161.50                       |          |
|  | 6 months                       | \$296.00                       | \$296.00                       |          |
|  | 12 months                      | \$537.50                       | \$537.50                       |          |
| Community Card Holder  | 3 months                       | \$129.50                       | \$129.50                       |          |
|  | 6 months                       | \$236.50                       | \$236.50                       |          |
|  | 12 months                      | \$430.00                       | \$430.00                       |          |
| Children   | 3 months                       | \$97.00                        | \$97.00                        |          |
|  | 6 months                       | \$177.50                       | \$177.50                       |          |
|  | 12 months                      | \$322.50                       | \$322.50                       |          |
| Corporate  | 12 months (150 swims)          | \$537.50                       | \$537.50                       |          |
| <b>Swim concessions</b>  |                                |                                |                                |          |
| Adult  | 10 swims                       | \$48.50                        | \$48.50                        |          |
|  | 20 swims                       | \$97.00                        | \$97.00                        |          |
| Community Card Holder  | 10 swims                       | \$36.00                        | \$34.00                        | 5.90%    |
|  | 20 swims                       | \$72.00                        | \$68.00                        | 5.90%    |
| Children   | 10 swims                       | \$29.50                        | \$29.50                        |          |
|  | 20 swims                       | \$58.50                        | \$58.50                        |          |
| <b>Hydroslide</b>  |                                |                                |                                |          |
| Adult  | unlimited rides during session | \$5.50                         | \$5.50                         |          |
| Community Card Holder (CCH)  | unlimited rides during session | \$4.50                         | \$4.50                         |          |
| Children (under 15 yrs)  | unlimited rides during session | \$3.50                         | \$3.50                         |          |
| <b>Aqua Jogging</b>  |                                |                                |                                |          |
| Adult  |                                | \$6.50                         | \$6.50                         |          |
| Community Card Holder (CCH)  |                                | \$5.00                         | \$5.00                         |          |
| Adult (concession x 10)  |                                | \$55.50                        | \$55.50                        |          |
| Community Card Holder (CCH) (concession x 10)                      |                                | \$42.00                        | \$39.00                        | 7.70%    |
| <i>Group bookings and school rates available - enquire at pool</i> |                                |                                |                                |          |

| Civic Centre  |   | 2012/2013 fee including GST | 2011/2012 fee including GST | increase |
|---|---|-----------------------------|-----------------------------|----------|
| <b>Hire</b>   |   |                             |                             |          |
| Hourly Charge   | <i>per hour</i>   | \$23.80                     | \$23.00                     | 3.50%    |
| <b>Other</b>  |   |                             |                             |          |
| Light Meters  |   | \$6.00                      | \$5.80                      | 3.40%    |
| Libraries   |   | 2012/2013 fee including GST | 2011/2012 fee including GST | increase |
| <b>Loan</b>   |   |                             |                             |          |
| Best seller   | <i>per book per 2 weeks</i>                                   | \$2.00                      | \$2.00                      |          |
| Popular Fiction (GT \$20.00)  | <i>per book</i>   | \$1.00                      | \$1.00                      |          |
| Popular Fiction (LT \$20.00)  | <i>per book</i>   | \$1.00                      | \$1.00                      |          |
| Erudite & NZ fiction (20% fiction)  |   | No charge                   | No charge                   |          |
| Non-Fiction   | <i>per book</i>   | No charge                   | No charge                   |          |
| All children's materials  | <i>per book</i>   | No charge                   | No charge                   |          |
| Large Print   | <i>per book</i>   | \$1.00                      | \$1.00                      |          |
| Large print subscription  | <i>per year</i>   | \$12.50                     | \$12.50                     |          |
| Talking Books/audios  | <i>per unit</i>   | \$1.00                      | \$1.00                      |          |
| NO CHARGE - children's & people with disabilities)  |   |                             |                             |          |
| DVDs (Adults)   | <i>per unit per week</i>                                      | \$2.00                      | \$2.00                      |          |
| Magazines   | <i>Per unit per week</i>                                      | \$0.50                      | \$0.50                      |          |
| <b>Fines</b>  |   |                             |                             |          |
| ADULTS and YOUNG ADULTS CARDS   | <i>per day (max \$10 per item)</i>                            | \$0.30                      | \$0.30                      |          |
| CHILDRENS CARDS   | <i>per day (max \$3.50 per item)</i>                          | \$0.10                      | \$0.10                      |          |
| <b>Other</b>  |   |                             |                             |          |
| Book Reserve Fee  | <i>per book</i>   | \$1.00                      | \$1.00                      |          |
| Non Resident Subscription   | <i>per annum (part charges available)</i>                     | \$60.00                     | \$60.00                     |          |
| Replacement Library Card  | <i>each</i>   | \$5.00                      | \$5.00                      |          |
| <b>Internet Use</b>   |   |                             |                             |          |
| Internet Use  | <i>per 15min</i>  | \$2.50                      | \$2.50                      |          |
| Internet Use  | <i>per 30min</i>  | \$4.00                      | \$4.00                      |          |
| Internet Use  | <i>per 45 min</i>   | \$5.00                      | \$5.00                      |          |
| Internet Use  | <i>per hour</i>   | \$6.50                      | \$6.50                      |          |
| <b>Interloan from National Library of New Zealand and Interloan partnership libraries</b> |   |                             |                             |          |
| Interloan with libraries without agreement  | <i>per book plus any other charges above standard charges</i> | \$22.00                     | \$22.00                     |          |
| <b>Damaged Book Charges</b>   |   |                             |                             |          |
|   |   | at cost                     | at cost                     |          |
| <b>Photocopying</b>   |   |                             |                             |          |
| Normal A4   | <i>per sheet - BW</i>   | \$0.20                      | \$0.20                      |          |
| Normal A4   | <i>per sheet - Colour</i>                                     | \$2.00                      | \$2.00                      |          |
| Normal A3   | <i>per sheet - BW</i>   | \$0.60                      | \$0.60                      |          |
| Normal A3   | <i>per sheet - Colour</i>                                     | \$4.00                      | \$4.00                      |          |
| <b>Aotearoa People's Network printing</b>   |   |                             |                             |          |
|   | <i>Single side</i>  | \$0.20                      | \$0.20                      |          |
|   | <i>Double side</i>  | \$0.30                      | \$0.30                      |          |

| Cemeteries   |                          | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|--|--------------------------|--------------------------------|--------------------------------|----------|
| Plot Purchase  |                          | \$387.00                       | \$375.70                       | 3.00%    |
| Ashes Lawn   |                          | \$103.50                       | \$100.40                       | 3.10%    |
| Cremation Berm   |                          | \$155.30                       | \$150.70                       | 3.10%    |
| Baby Plots   |                          | \$90.60                        | \$87.90                        | 3.10%    |
| RSA Plots  |                          | No Charge                      | No Charge                      |          |
| Paupers' Plots   |                          | No Charge                      | No Charge                      |          |
| Single Plot  |                          | \$580.70                       | \$563.70                       | 3.00%    |
| Ashes Lawn   |                          | \$155.30                       | \$150.70                       | 3.10%    |
| Cremation Berm   |                          | \$155.30                       | \$150.70                       | 3.10%    |
| Baby Plots   |                          | \$116.20                       | \$112.80                       | 3.00%    |
| RSA Plots  |                          | No Charge                      | No Charge                      |          |
| Paupers' Plots   |                          | No Charge                      | No Charge                      |          |
| Interment  |                          |                                |                                |          |
| 12 years and over  |                          | \$322.70                       | \$313.30                       | 3.00%    |
| Under 12 Years   |                          | \$129.10                       | \$125.30                       | 3.00%    |
| Stillborn  |                          | \$64.90                        | \$63.00                        | 3.00%    |
| Ashes  |                          | \$129.10                       | \$125.30                       | 3.00%    |
| Disinterment   |                          | \$413.30                       | \$401.20                       | 3.00%    |
| Re-interment   |                          | \$413.30                       | \$401.20                       | 3.00%    |
| Extra Depth (over 6ft)   |                          | \$129.10                       | \$125.30                       | 3.00%    |
| Weekend & Public Holidays  | <i>additional charge</i> | \$232.30                       | \$225.50                       | 3.00%    |
| Lowering Device  |                          | \$46.00                        | \$44.60                        | 3.10%    |
| Memorial Permit  |                          | \$33.10                        | \$32.10                        | 3.10%    |
| History House  |                          | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| Admission  |                          |                                |                                |          |
| Adults   |                          | \$6.00                         | \$6.00                         |          |
| Children   |                          | \$2.00                         | \$2.00                         |          |
| <i>Ratepayer Concession. Paid entry allows free return entry for the following 12 months</i> |                          |                                |                                |          |

| PLANNING  |  | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|---|--|--------------------------------|--------------------------------|----------|
| <b>All Fees Listed are Deposits. Balance of charges will be charged at the rates specified</b>                      |  |                                |                                |          |
| <b>Subdivisions</b>   |  |                                |                                |          |
| Boundary Adjustments  | <i>deposit only</i>                                    | \$413.00                       | \$400.50                       | 3.10%    |
| Non-notified (2 - 5 lots)   | <i>deposit only</i>                                    | \$701.50                       | \$681.00                       | 3.00%    |
| Non-notified (6 - 10 lots)  | <i>deposit only</i>                                    | \$1,343.50                     | \$1,304.00                     | 3.00%    |
| Non-notified (11+ lots)   | <i>deposit only</i>                                    | \$1,825.00                     | \$1,771.50                     | 3.00%    |
| Public notification - subdivision   | <i>deposit only</i>                                    | \$1,167.00                     | \$1,133.00                     | 3.00%    |
| s224 - without inspection   | <i>deposit only</i>                                    | \$268.00                       | \$260.00                       | 3.10%    |
| s224- with one inspection   | <i>deposit only</i>                                    | \$413.00                       | \$400.50                       | 3.10%    |
| s226 certificate  | <i>deposit only</i>                                    | \$525.00                       | \$509.50                       | 3.00%    |
| Other certificates (e.g. s223)  | <i>deposit only</i>                                    | \$150.00                       | \$145.50                       | 3.10%    |
| Esplanade reserve reduction/waiver  | <i>deposit only</i>                                    | \$487.50                       | \$473.00                       | 3.10%    |
| Reapproval lapsed consent   | <i>deposit only</i>                                    | \$525.00                       | \$509.50                       | 3.00%    |
| ROW/Easement amendments   | <i>deposit only</i>                                    | \$369.50                       | \$358.50                       | 3.10%    |
| <b>Land Use Consents</b>  |  |                                |                                |          |
| Hazardous substances  | <i>deposit only</i>                                    | \$583.50                       | \$566.50                       | 3.00%    |
| Signs   | <i>deposit only</i>                                    | \$525.00                       | \$509.50                       | 3.00%    |
| Relocated buildings   | <i>deposit only</i>                                    | \$413.00                       | \$400.50                       | 3.10%    |
| Bulk & locn/recession plane/setback   | <i>deposit only</i>                                    | \$444.50                       | \$431.50                       | 3.00%    |
| Heritage  | <i>deposit only</i>                                    | \$413.00                       | \$400.50                       | 3.10%    |
| Non-rural/residential activities  | <i>deposit only</i>                                    | \$878.00                       | \$852.00                       | 3.10%    |
| Utilities   | <i>deposit only</i>                                    | \$525.00                       | \$509.50                       | 3.00%    |
| Vegetation clearance  | <i>deposit only</i>                                    | \$487.50                       | \$473.00                       | 3.10%    |
| Sub-sized lots  | <i>deposit only</i>                                    | \$819.00                       | \$795.00                       | 3.00%    |
| Limited Notification - Land Use*  | <i>deposit only</i>                                    | \$819.00                       | \$795.00                       | 3.00%    |
| Public Notification - Land Use*   | <i>deposit only</i>                                    | \$1,226.00                     | \$1,190.00                     | 3.00%    |
| * Notification fee is in addition to deposit for consent type   |  |                                |                                |          |
| <b>Plan Changes</b>   |  |                                |                                |          |
| District Plan Changes - major   | <i>deposit only</i>                                    | \$13,179.50                    | \$12,795.50                    | 3.00%    |
| District Plan Changes - minor   | <i>deposit only</i>                                    | \$6,593.00                     | \$6,400.50                     | 3.00%    |
| <b>Other</b>  |  |                                |                                |          |
| Designation/Heritage Order  | <i>deposit only</i>                                    | \$2,659.50                     | \$2,582.00                     | 3.00%    |
| Alteration of designation   | <i>deposit only</i>                                    | \$1,065.50                     | \$1,034.00                     | 3.00%    |
| Certificate of compliance   | <i>deposit only</i>                                    | \$268.00                       | \$260.00                       | 3.10%    |
| s357 objection  | <i>deposit only</i>                                    | \$402.00                       | \$390.00                       | 3.10%    |
| Consent variation - non-notified  | <i>deposit only</i>                                    | \$364.50                       | \$353.50                       | 3.10%    |
| Consent variation - notified  | <i>deposit only</i>                                    | \$696.00                       | \$675.50                       | 3.00%    |
| Outline Plan  | <i>deposit only</i>                                    | \$268.00                       | \$260.00                       | 3.10%    |
| Comments on Draft Applications/Pre application advice<br>(note first <b>HALF HOUR</b> free then staff hourly rates) |  | staff hourly rates             | staff hourly rates             |          |
| Consultants/Peer Review   |  | \$181/hour (not more than)     | \$175.50/hour (not more than)  | 3.10%    |
| Legal advice  |  | \$362/hour (not more than)     | \$351/hour (not more than)     | 3.10%    |
| Hearings - Commissioner   |  | \$1,442/day (not more than)    | \$1,400/day (not more than)    | 3.00%    |
| - Facilities  |  | \$181/hour (not more than)     | \$175.50/hour (not more than)  | 3.10%    |
| Monitoring Levy   | <i>flat fee paid upon granting of land-use consent</i> | \$103.00                       | \$100.00                       | 4.05%    |
| Resource Consent Monitoring of Conditions   |  | staff hourly rates             | staff hourly rates             |          |

| BUILDING  |                                     | 2012/2013 fee<br>including GST     | 2011/2012 fee<br>including GST     | increase |
|---|-------------------------------------|------------------------------------|------------------------------------|----------|
| Building Consent Accreditation levy   | <i>per \$1,000 of building work</i> | \$2.33                             | \$2.26                             | 3.10%    |
| <b>Set Fees (incl the appropriate CCC)</b>  |                                     |                                    |                                    |          |
| BWOF - receiving and checking on or before due date                                     |                                     | \$165.00                           | \$160.00                           | 3.10%    |
| BWOF - receiving and checking after due date  |                                     | \$330.00                           | \$320.00                           | 3.10%    |
| BWOF Audits   |                                     | at cost                            | at cost                            |          |
| Consent extension request   |                                     | \$100.00                           | new                                | new      |
| Demolition - large /commercial  |                                     | \$648.00                           | \$629.00                           | 3.00%    |
| Demolition - residential  |                                     | \$342.50                           | \$332.50                           | 3.00%    |
| Fire Installations  |                                     | \$400.00                           | \$332.50                           | 20.30%   |
| Minor building works  |                                     | \$450.00                           | \$395.00                           | 13.90%   |
| Minor plumbing & drainage (incl separation of services where no septic tank)            |                                     | \$407.00                           | \$395.00                           | 3.00%    |
| Separation of services with disconnection of septic tank                                |                                     | \$557.00                           | \$540.50                           | 3.10%    |
| Relocated buildings   |                                     | \$1,536.00                         | \$1,491.00                         | 3.00%    |
| Swimming Pools  |                                     | \$862.00                           | \$836.50                           | 3.00%    |
| Towers/Signs etc  |                                     | \$669.00                           | \$649.50                           | 3.00%    |
| Marquees  |                                     | \$246.50                           | \$239.00                           | 3.10%    |
| <b>Deposits Only (Costs to be Charged based on Actual Time)</b>                         |                                     |                                    |                                    |          |
| PIM (only)  | <i>deposit only</i>                 | \$187.50                           | \$182.00                           | 3.00%    |
| CCC processing fee (applied to all consents with deposit based fees)                    | <i>deposit only</i>                 | \$225.50                           | \$218.50                           | 3.20%    |
| <b>Residential - Deposits Only (Costs to be Charged based on Actual Time)</b>           |                                     |                                    |                                    |          |
| Garages/carports  | <i>deposit only</i>                 | \$669.00                           | \$649.50                           | 3.00%    |
| Garden Sheds  | <i>deposit only</i>                 | \$669.00                           | \$649.50                           | 3.00%    |
| Minor Alterations   | <i>deposit only</i>                 | \$869.00                           | \$849.50                           | 33.80%   |
| Major Alterations   | <i>deposit only</i>                 | \$1,474.00                         | \$1,236.50                         | 19.20%   |
| Pre-fab construction dwellings  | <i>deposit only</i>                 | \$2,410.50                         | \$2,146.00                         | 12.30%   |
| New Dwellings   | <i>deposit only</i>                 | \$3,240.00                         | \$2,951.00                         | 9.80%    |
| Multi-Unit Residential  | <i>deposit only</i>                 | \$4,620.50                         | \$4,291.50                         | 7.70%    |
| <b>Industrial/Commerical - Deposits Only (Costs to be Charged based on Actual Time)</b> |                                     |                                    |                                    |          |
| Minor alterations   | <i>deposit only</i>                 | \$948.00                           | \$920.00                           | 3.00%    |
| Major Alterations   | <i>deposit only</i>                 | \$2,488.50                         | \$2,416.00                         | 3.00%    |
| Farm Buildings  | <i>deposit only</i>                 | \$589.00                           | \$571.50                           | 3.10%    |
| Workshops   | <i>deposit only</i>                 | \$1,525.50                         | \$1,481.00                         | 3.00%    |
| Woolsheds   | <i>deposit only</i>                 | \$1,659.00                         | \$1,610.50                         | 3.00%    |
| Dairy sheds   | <i>deposit only</i>                 | \$2,761.50                         | \$2,681.00                         | 3.00%    |
| Shop/Office - single  | <i>deposit only</i>                 | \$3,318.00                         | \$3,221.00                         | 3.00%    |
| Shop/Office - complex   | <i>deposit only</i>                 | \$4,971.50                         | \$4,826.50                         | 3.00%    |
| Large multi-function complex  | <i>deposit only</i>                 | \$8,010.50                         | \$7,777.00                         | 3.00%    |
| Certificate of Public Use   |                                     | \$257.50 flat fee plus hourly rate | \$250.00 flat fee plus hourly rate | 3.00%    |
| Compliance Schedule   |                                     | \$257.50 flat fee plus hourly rate | \$250.00 flat fee plus hourly rate | 3.00%    |
| Consultants/Peer Review   |                                     | at cost                            | at cost                            |          |
| <b>Enforcement</b>  |                                     |                                    |                                    |          |
| Swimming pool re-inspection   |                                     | \$100.00                           | new                                | new      |
| Legal advice and Consultants  |                                     | \$362/hour (not more than)         | \$351/hour (not more than)         |          |
| 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                      |                                     |                                    |                                    |          |

| AMENITY MANAGEMENT                         |                 | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|--|-----------------|--------------------------------|--------------------------------|----------|
| Advertising Signs Fees                     |                 | \$94.50                        | \$91.50                        | 3.30%    |
| Hawkers Fees                               |                 | \$164.00                       | \$159.00                       | 3.10%    |
| Itinerant Traders Fees                     |                 | \$164.00                       | \$159.00                       | 3.10%    |
| <b>Abandoned Vehicles</b>                  |                 |                                |                                |          |
| Towage                                     |                 | \$618 + COST                   | \$600 + COST                   | 3.00%    |
| Inspection & Administration                | <i>per hour</i> | staff hourly rate + mileage    | staff hourly rate + mileage    |          |
| Storage of Vehicle                         | <i>per day</i>  | \$10.00                        | \$9.50                         | 5.30%    |
| <b>Amusement Devices</b>                   |                 |                                |                                |          |
| One Device                                 |                 | \$16.50                        | \$16.00                        | 3.10%    |
| Each Additional Device                     |                 | \$4.50                         | \$4.30                         | 4.70%    |
| Each Device for a further period of 7 days |                 | \$2.40                         | \$2.30                         | 4.30%    |
| <b>OTHER ENFORCEMENT</b>                   |                 |                                |                                |          |
| Legal advice and Consultants               |                 | \$362/hour (not more than)     | \$351/hour (not more than)     |          |
| <b>ANIMAL CONTROL</b>                      |                 |                                |                                |          |
|  |                 | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| <b>Dog Registration</b>                    |                 |                                |                                |          |
| Pet  |                 | \$84.00                        | \$82.00                        | 2.40%    |
| Desexed                                    |                 | \$62.50                        | \$61.00                        | 2.50%    |
| Working                                    |                 | \$36.00                        | \$35.00                        | 2.90%    |
| Late Regn                                  |                 | \$126.00                       | \$123.00                       | 2.40%    |
| <b>Dog &amp; Stock Impounding</b>          |                 |                                |                                |          |
| 1st Offence                                |                 | \$67.00                        | \$65.00                        | 3.10%    |
| 2nd Offence                                |                 | \$133.50                       | \$129.50                       | 3.10%    |
| 3rd Offence                                |                 | \$199.50                       | \$193.50                       | 3.10%    |
| Sustenance (per day)                       |                 | \$12.00                        | \$11.50                        | 4.30%    |
| <b>After Office Hours</b>                  |                 |                                |                                |          |
| Applicable Fee above Plus                  |                 | staff hourly rate + mileage    | staff hourly rate + mileage    |          |
| <b>HEALTH</b>                              |                 |                                |                                |          |
|  |                 | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| <b>Food Licensing</b>                      |                 |                                |                                |          |
| Food Gr 1                                  |                 | \$467.50                       | \$453.50                       | 3.10%    |
| Food Gr 2                                  |                 | \$675.50                       | \$655.50                       | 3.10%    |
| Food Gr 3                                  |                 | \$900.50                       | \$874.00                       | 3.00%    |
| No Kitchen facilities                      |                 | \$225.50                       | \$218.50                       | 3.20%    |
| Hairdressers                               |                 | \$429.00                       | \$416.50                       | 3.00%    |
| Camping/Offensive Trades                   |                 | \$429.00                       | \$416.50                       | 3.00%    |
| <b>OFFICIAL INFORMATION</b>                |                 |                                |                                |          |
|  |                 | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
| Property file queries                      | <i>per hour</i> | \$75.00                        | new                            | new      |
| LIMs                                       |                 | \$266.00                       | \$258.00                       | 3.10%    |

| Administration - Charge Out Rates                                 |  | 2012/2013 fee<br>including GST | 2011/2012 fee<br>including GST | increase |
|---|--|--------------------------------|--------------------------------|----------|
| Management/CEO  |  | \$155.00                       | \$149.40                       | 3.70%    |
| Engineers   |  | \$125.00                       | \$113.80                       | 9.80%    |
| Engineering Assistants/Officers                                   |  | \$100.00                       | \$96.80                        | 3.30%    |
| Planners  |  | \$125.00                       | \$114.90                       | 8.80%    |
| Building Officers   |  | \$125.00                       | \$114.90                       | 8.80%    |
| Monitoring Staff  |  | \$105.00                       | \$97.90                        | 7.30%    |
| Animal Control Officer  |  | \$105.00                       | \$97.90                        | 7.30%    |
| Administration/Customer Service Officers                          |  | \$75.00                        | \$72.90                        | 2.90%    |
| <i>Fees and actual time hours are recoverable from applicants</i> |  |                                |                                |          |

### Port of Greymouth –all rates include GST

| FISHING/RECREATIONAL/CHARTER: ACCESS FEES (all vessels) |           |  |   |   |
|---|-----------|--|---|---|
| Vessel LOA (m)  | per entry | unlimited movements - 12 months paid<br>in advance | unlimited movements - 6<br>months paid in advance | unlimited movements - 3<br>months paid in advance |
| 0 - 10  | 26.20     | 784.90   | 418.60  | 222.40  |
| 10 - 14   | 38.00     | 1,138.50   | 607.20  | 322.60  |
| 14 - 16   | 59.80     | 1,794.00   | 956.80  | 508.30  |
| 16 - 18   | 89.70     | 2,691.00   | 1,435.20  | 762.50  |
| 18 - 20   | 134.00    | 4,019.60   | 2,143.80  | 1,138.90  |
| 20 - 24   | 167.50    | 5,024.20   | 2,679.60  | 1,423.50  |
| 24 - 28   | 198.90    | 5,966.40   | 3,182.10  | 1,690.50  |

| FISHING: BERTHAGE (at Council berth) |             |        |
|--------------------------------------|-------------|--------|
| per day                              | per m (LOA) | 2.17   |
| Annual (paid 6 monthly in advance)   | per m (LOA) | 140.73 |

| FISHING: WHARFAGE and OTHER (at Council wharf)                      |                    |       |
|---|--------------------|-------|
| Any species   | per tonne          | 4.76  |
| Martins Quay Crane Hire   | per tonne          | 10.47 |
| Wharf Space Occupied by Processors, Fuel Pumps                      | per m <sup>2</sup> | 67.83 |
| Rental of Port Operational Land Occupied by Containers, Storage etc | per m <sup>2</sup> | 20.72 |

| <b>CARGO &amp; PASSENGER</b>  |                                |  |
|---|--------------------------------|--|
| <b>Berthage</b>   |                                | <b>unit</b>  |
| Ships, Tugs, Barges Berthage - per day                                  | / gross registered tonne       | 0.23   |
| Ships, Tugs, Barges Berthage - per day                                  | minimum                        | 240.75   |
| Ships, Tugs, Barges Lay Up Berthage - per day                           | / gross registered tonne       | 0.20   |
| Ships, Tugs, Barges Lay Up Berthage - per day                           | minimum                        | 192.61   |
| Mooring (Line Services)   | / staff hour                   | 54.72  |
| <b>Wharfage and other</b>   |                                | <b>unit</b>  |
| Timber  | maximum of m3 or tonne         | 8.43   |
| Logs  | maximum of m3 or tonne         | 4.46   |
| Coal Wharfage   | / tonne                        | 5.05   |
| Coal Stockpile and Resource Management                                  | / tonne shipped                | 1.33   |
| Gravel, Aggregate, Rock   | / tonne                        | 3.74   |
| Fertiliser  | / tonne                        | 4.95   |
| Motor Vehicles  | each                           | 81.50  |
| Containers - Loaded (TEU = Twenty Foot Length Equivalent Unit)          | / TEU                          | 269.23   |
| Containers - Empty  | / TEU                          | 218.01   |
| Pallets Returned Empty  | / m3                           | 5.78   |
| All Other Cargo   | maximum of m3 or tonne         | 5.78   |
| Cargo Brought in for Shipping and Leaving Port Other than by Ship/Barge | maximum of m3 or tonne         | 50% of wharfage, stockpile & resource management charges |
| Cargo Wharf Crane Hire -  | / hour / crane                 | 282.13   |
| Cargo Wharf Crane Hire - Minimum Charge                                 | minimum                        | 70.53  |
| <b>LONG TERM STORAGE OF CARGO</b>                                       |                                | <b>unit</b>  |
| Richmond Quay Stockpile Area 1st 6 weeks per shipment                   | maximum of m3 or tonne / month | free   |
| Richmond Quay Stockpile Area Next 1-3 months                            | maximum of m3 or tonne / month | 0.28   |
| Richmond Quay Stockpile Area Next 4-6 months                            | maximum of m3 or tonne / month | 0.53   |
| Richmond Quay Stockpile Area Over 6 months After Free Period            | maximum of m3 or tonne / month | 0.81   |
| Cargo Shed : less than 100 m2   | / m2 / month                   | 10.83  |
| Cargo Shed : 100 m2 or more   | / m2 / month                   | 8.43   |
| Rental of Port Operational Land Occupied by Containers, Storage etc     | / m2 / year                    | 21.18  |



## RECREATIONAL / COMMERCIAL TOUR & CHARTER VESSELS BERTHS & MOORINGS

|   |                              |        |
|---|------------------------------|--------|
| Swing Mooring Site  | / week                       | 11.51  |
| Pile Mooring  | / week                       | 18.32  |
| Annual Berthage at Wharf-Paid 6 months in Advance-Incl. Electricity & Water | /metre length overall / year | 140.73 |
| Daily Berthage at Wharf - Includes Electricity & Water                      | /metre length overall / day  | 2.17   |

## SLIPWAY

|  |           |          |
|--|-----------|----------|
| Haulage (up / down ) single cradle *                           | up / down | 639.43   |
| Haulage (one way only ) single cradle*                         | one way   | 383.89   |
| Haulage (up / down ) tandem cradle*                            | up / down | 1,278.87 |
| Haulage (one way only ) tandem cradle*                         | one way   | 767.80   |
| <b>* above charges include 5 days applicable cradle charge</b> |           |          |
|  |           | -        |
| Daily Cradle Charge - single cradle -                          | / day     | 94.21    |
| Daily Cradle Charge - tandem cradle                            | / day     | 188.42   |
|  |           |          |
| Site Charge for Sandblasting                                   | / day     | 183.70   |
| Long Term Hard Stand When Vessel is Removed from Cradle        | / week    | 52.99    |

## ELECTRICITY AND WATER

|                               |              |       |
|-------------------------------|--------------|-------|
| Electricity Connection Fee    | / connection | 27.21 |
| Electricity Supply Charge     | / kwh        | 0.86  |
| Labour to Connect Electricity | / hour       | 54.42 |
| Labour to Connect Electricity | minimum      | 27.21 |
| Water Connection Fee          | / connection | 16.97 |
| Water Supply Charge           | /m3          | 1.15  |
| Labour to Connect Water       | / hour       | 54.42 |
| Labour to Connect Water       | minimum      | 27.21 |