

Long Term Plan 2015-2025

Heart
of the West Coast

MĀWHERA
GREY
DISTRICT COUNCIL

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PART A: Introduction and Summary

1 Message from the Mayor and CEO

Welcome to the **Grey District 2015–2025 Long Term Plan (Plan)**.

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 may well differ to what we foresee here, which only emphasises how important it is for Council to be able to react and adjust to whatever environment we find ourselves in.

We took a hard look at what were the key issues that needed addressing, the level of service we were providing to our community and what was practicable for Council to do over the next ten years and beyond. We then developed a Draft Long Term Plan which focussed on planning for the future and maintaining existing core services (such as roading, water supply, water disposal and solid waste (refuse) disposal) within the constraints of our financial and infrastructure strategies.

A Consultation Document was created to provide our community with information on the key issues we wanted their feedback on. Council had certain issues it had classed as 'must address', such as:

- Legal fees for settling the Aquatic Centre's sagging beams issue
- Borrowing money to cover a building upgrade to the new Westland Recreation Centre so it can be used in Civil Defence emergencies
- Additional operating costs for the new Westland Recreation Centre once it has been built and is operational (from year 2)
- Loan for the construction of a new cell at McLeans Landfill (from year 2)

On top of these, Council provided options for the community to consider to address the following key issues:

- The need for accurate data about the condition of our water and stormwater infrastructure so we can make sure we replace our assets at the right time, i.e. not too soon and not too late
- Future financial sustainability of the Port
- Reduced funding from New Zealand Transport Agency for roading
- We asked our community if they wanted the kerbside refuse and recycling collection extended to other areas of the District

Thank you to everyone who took the time to make a submission on our Draft Plan. Council heard and considered submissions on 14 May 2015. The community

agreed with Council's preferred options for the key issues and these have been incorporated into this Plan. Other significant outcomes from our community consultation include:

- As per feedback from the Kaiata community, the proposed Kaiata Water Supply scheme will not be proceeding at this stage.
- No submissions were received on the proposed extension to the kerbside collection service, so there will be no change to the current service provided.
- Council has made available one million dollars for the Greymouth CBD Renewal plan, provisional on approval of the final Masterplan in July.
- Two toilets are to be installed at the Cobden Breakwaters to meet public needs.

In the Draft Plan, Council forecast a 4.3% rates rise for year one of the Plan (2015/2016). Council has worked hard to save money where it can and spend its money wisely and sensibly. We have been fortunate in making considerable savings on our insurance costs, the benefits of which spread widely across all of our activities. Taking into account savings achieved and decisions made at the submission hearing, Council is very pleased to advise the actual rates rise for year one has reduced from 4.3% to 3.7%.

We're confident that this Plan will continue to support and strengthen our District and our community over the next ten years and Council looks forward to sharing the journey with our people.











Tony Kokshoom
MAYOR



Paul Pretorius
CHIEF EXECUTIVE OFFICER

2 Key Council contact information

Council contacts		Grey District Council 105 Tainui Street Greymouth 7805
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Banker		Westpac
Auditor		Audit New Zealand, Christchurch on behalf of the Office of the Auditor General, Wellington
Solicitor		Hannan & Seddon, Greymouth

3 Your Council

 <p>Tony Kokshoorn Mayor Portfolios: <ul style="list-style-type: none"> • Finance • Economic Development • Port • Youth • Advocacy • Public Relations • Tourism </p>	 <p>Doug Truman QSM AFNZIM Councillor Central Ward/Deputy Mayor Portfolios: <ul style="list-style-type: none"> • Resource Management • Regulatory Functions • Staff </p>	 <p>Allan Gibson Councillor Eastern Ward Portfolios: <ul style="list-style-type: none"> • Airport • Cemeteries • Pensioner Housing </p>
 <p>Kevin Brown QSM JP Councillor Central Ward Portfolios: <ul style="list-style-type: none"> • Library • Health & Disability • Safety & Security </p>	 <p>Tony Coll Councillor Central Ward Portfolios: <ul style="list-style-type: none"> • Property • Liquor Licensing • Sport & Recreation </p>	 <p>Cliff Sandrey Councillor Northern Ward Portfolios: <ul style="list-style-type: none"> • Water Supplies • Stormwater • Waste Management </p>
 <p>Murray Hay Councillor Central Ward Portfolios: <ul style="list-style-type: none"> • Civil Defence • Maori Affairs • Arts, Culture & Heritage </p>	 <p>Anton Becker Councillor Eastern Ward Portfolios: <ul style="list-style-type: none"> • Sewerage • Parks & Reserves • Animal Control </p>	 <p>Peter Haddock Councillor Southern Ward Portfolios: <ul style="list-style-type: none"> • Land Transport • Legal Matters • Forestry </p>

4 Audit opinion



Independent Auditor's Report

Grey District Council's 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Grey District Council (the District Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the District Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 8 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the District Council's resources; and
 - accountability of the District Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 233 to 239 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the District Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the District Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the District Council's financial strategy, and the associated financial policies, support prudent financial management by the District Council,

¹ The International Standard on Assurance Engagements (New Zealand) 3000 [Revised], Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400, The Examination of Prospective Financial Information.

- the District Council's infrastructure strategy identifies the significant infrastructure issues that the District Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- 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 plan are based on the best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the District Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the District Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, 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

5 Consultation

In this section you will find details of Council's process for consulting with the community, submissions and changes from the Draft Long Term Plan to this Final 2015-2025 Long Term Plan.

5.1 The decision making process

ACTION	DATE
Notify Draft Long Term Plan and Consultation Document	10 March 2015
Public submissions	Opened 10 March 2015 and closed on 13 April 2015
Council heard and considered submissions	14 May 2015
Adoption of Final 2015-2025 Long Term Plan	8 June 2015
Comes into effect	1 July 2015

5.2 Results of the consultation process

Council received a number of submissions from individuals and organisations and we're grateful for the time and thought that went into each of them.

As a result of consideration of these submissions, Council has made a number of changes to the Final Long Term Plan from the Draft Long Term Plan. These are summarised below.

Please note that all changes are reflected in Council's activity budgets.

The 'must address' issues

Council decided that for the following key issues, there was no option but to address them now and the following costs were included in the Draft Long Term Plan and carried through to the Final Long Term Plan.

Issue	Description	Amount	Funded from
Aquatic Centre legal fees	Council has incurred approximately \$400,000 of legal fees in finalising the sagging beams issue. A resolution has been reached which allows for the sagging beams to be fixed in the near future.	\$400,000	Loan funded (repaid general rates)

Issue	Description	Amount	Funded from
Building upgrade for Westland Recreation Centre	Council has decided to upgrade the Westland Recreation Centre to IL4 which will allow it to be used a Civil Defence centre in the event of an emergency.	\$250,000	Loan funded (repaid from general rates)
Operating costs – Westland Recreation Centre	Additional operating and maintenance costs will be required once the new centre is up and running.	\$98,000 approximate per annum from year 2	Rates
New cell at McLeans Landfill	The current cell at McLeans Landfill is filling faster than expected and it is likely a new cell will need to be built in 2016. Council will have to borrow money for these works. The term of this loan will be 21 years, which is the expected useful life of the cell.	\$4.9 million	Loan funded (repaid from rates)

Our key issues

Issue	Description	Amount	Funded from
Renewals programme	Council needs accurate data on our water and stormwater infrastructure to plan for timely renewals/replacements. Council has allowed for condition assessments to be carried out.	\$260,000 approximate over three years	Rates
Financial sustainability of the Port	The funding shortfall at the Port will be addressed by an increased rate input and increased contribution from the fishing industry. Cash shortfalls in years 1 to 5 will be met from Council borrowing, with the increases in revenue used to repay debt from year 7 onwards	0.3% rates increase in year 1 and 15% increase in user fees	Loan funding, rates and user fees
Reduced funding for roading	The NZTA have reduced the funding they will be providing to Council for roading. Council has agreed to reduce its roading programme to fit within available funding with rates increases planned from year 5.	n/a	n/a

Capital projects proposed in the Draft Plan and confirmed by Council

Project	Approximate cost	Time frame
Completion of the Greymouth wastewater (sewerage) scheme	\$3 million	Year 1
Upgrade of Runanga/Rapahoe water supply	\$700,000	Year 1
New cell at McLeans Landfill	\$4.9 million	Year 2
Replacement of part of Runanga wastewater network	\$1 million	Year 3

Additional projects/activities agreed to be funded by Council and included in the Final Plan

Project/activity	Description	Amount	Funded from
Greymouth CBD Renewal	Council has made available \$1 million for the Greymouth CBD Renewal project provisional on approval of the final Masterplan in July.	\$1 million	<ul style="list-style-type: none"> \$400,000 – Land Sale Reserve \$100,000 – Economic Development Reserve \$320,000 – Roading Reserve \$100,000 – Reserves Subdivision Contributions \$70,000 – Extraordinary Distribution Fund from Development West Coast \$10,000 – Economic Development Operating Budget
Toilets at Cobden Breakwaters	Council approved a request for two toilets to be installed at the Cobden Breakwaters to meet public needs.	\$216,000	Loan funded
Enviroschools Foundation	Funding of Enviroschools initiative.	\$2,000 per annum for three years	Existing Solid Waste budget
Blackball Museum of Working Class History	Rates remission for the museum.	\$500	General rates
Blackball Residents Association Trust	Funding for skate park maintenance.	\$500	Council's \$5,000 Discretionary Budget
Central Westland Girl Guides	Two additional refuse bins for Runanga/Dunollie.	\$2,500 to supply and install bins and \$1,000 per annum for collection	Rates
Awahono School	Sponsor a workshop at West Coast Kids Technology Conference in June.	\$1,000	Council's \$5,000 Discretionary Budget

Projects/changes proposed in the Draft Plan but not included in the Final Plan

Issue	Description
Kaiata Water Supply	The Kaiata community was consulted separately on whether they wished to proceed with a new water supply scheme for their community. The majority of respondents were not in favour so therefore this project is not proceeding at this time and is not included in this Plan. However there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan.
Proposed extension of kerbside collection	Council asked the community if they wanted to see the existing service extended to include the remainder of the District (excluding Moana and Te Kinga). No submissions were received therefore no change has been made to the existing service provided.
Charge for disposal of green waste	Council will not be proceeding with charging for the disposal of green waste, as signaled in our Draft Plan. These will continue to be allowed to be disposed of free of charge at the McLeans Recycling Centre.

6 About the plan

6.1 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*. 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: Infrastructure Strategy 2015-45

Council must ensure that it gets as much value as possible from existing infrastructure assets and future investment in new assets. A key part of this is addressing a lack of accurate data about the actual condition of our assets, which will help Council to ensure effective, efficient and innovative management of assets and guide our investment in new assets.

PART E: 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 (these are public documents).

PART F: 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 2015/2016 year and an indication of what rates rises would be for future years of the Plan.

PART G: 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 fees and charges Council will set for the 2015/2016 year.

6.2 What is the Long Term Plan?

Councils have a requirement to produce a Long Term Plan at least once every three years. Our last plan was the 2012–2022 Grey District Long Term Plan.

This **Grey District 2015-2025 Long Term Plan (Plan)** 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 2015 to 30 June 2025 and explains what Council intends to do and what the cost will be.

The first year of the Plan (2015/2016) is also the Annual Plan for that year (i.e. there will be no separate Annual Plan produced for 2015/2016). The Plan 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.

6.3 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.

6.4 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.

6.5 Resident Satisfaction Survey

Council commissioned Opinions Market Research Limited, an independent research organisation from Christchurch, to carry out the Grey District Resident Satisfaction Survey in October 2014. This survey measures our residents' views on a range of issues, particularly on satisfaction with Council performance in delivering services and providing facilities.

A quantitative telephone survey was conducted among a representative sample of 350 Grey District residents aged 18+. Interviewing took place from 4 – 29 October 2014. Initial random sampling was combined with quota sampling to ensure a representative sample was achieved. Quotas were set for age, gender and area according to the 2013 Census. The statistical margin of error for the total sample of 350 is $\pm 5.3\%$ at a 95% confidence level.

Results from the 2014 Resident Satisfaction Survey have been included in this LTP as measures of some of our non-financial performance targets.

The full survey is available on our website.

6.6 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.

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.

Our community outcomes in this Plan are the same as the previous Long Term Plan as we believe they are still relevant and embody what we want for our District, to be achieved through forward planning and strategic thinking.

The Long Term Plan aligns closely with the Community Economic Development Strategy. During 2012/2013 Council consulted widely with the community to refine and develop the Community Economic Development Strategy (the Strategy). Our community was asked what they wanted for the future of the District and then they were asked to prioritise those actions. These priorities and action plans formed the eventual Strategy, which was adopted by Council in August 2013. A review of the Strategy was carried out in 2015.

The vision from the Strategy is that "by 2025 the Grey District will be a progressive, growing, vibrant province, renowned for its people, culture, talent, environment and desirable location". This clearly complements the Grey District Council vision of "the Grey District will be a progressive, sustainable area where people want to live, work, play and invest in".

All of Council's actions are aimed at fulfilling the outcomes from both the Long Term Plan and Community Economic Development Strategy.

6.7 Relationship between the Long Term Plan and other documents



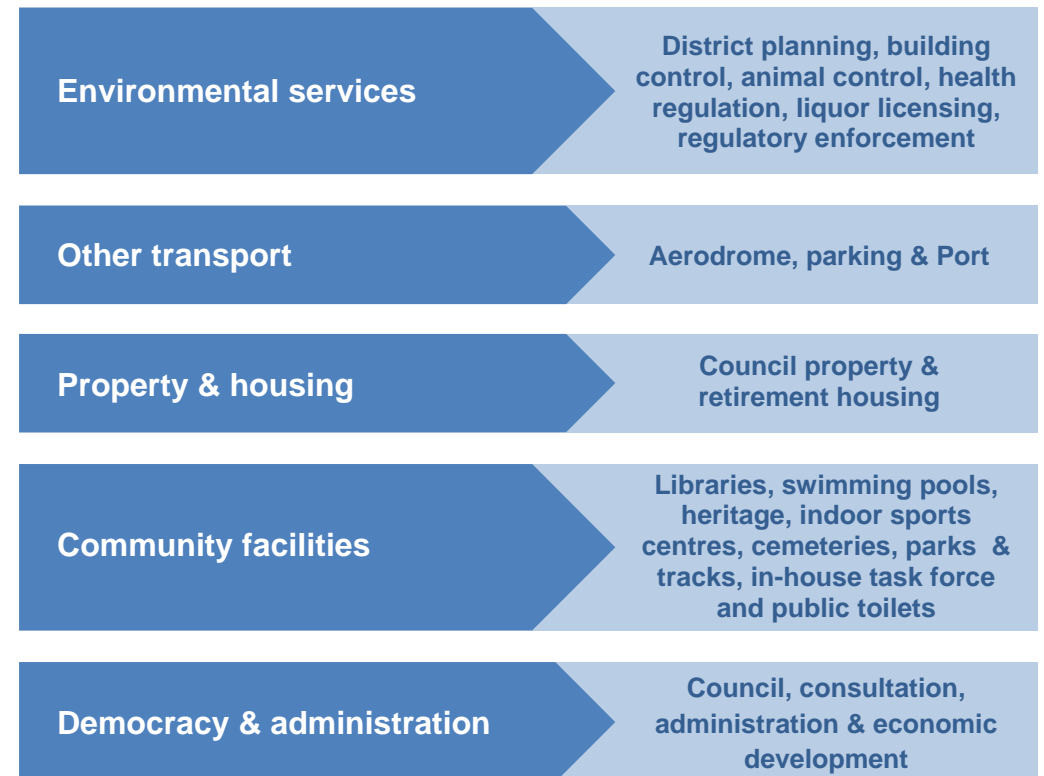
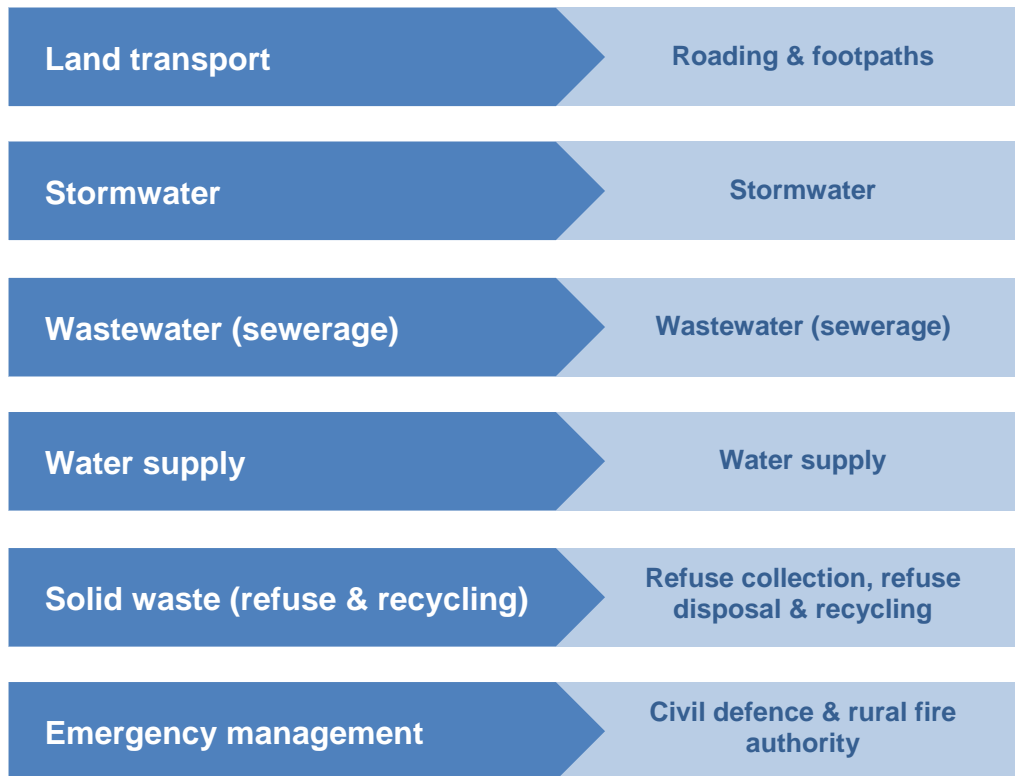
6.8 Grouping of Council activities (Groups of Activities – GOA)

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 on the following page shows how our activities are grouped for this plan. They are the same as they were in the 2012-2022 Long Term Plan.

Council's group of activities



7 The Grey District today and going forward

7.1 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 32,148 in 2013. The 2013 census showed a slight increase from the 2006 census, up 822 people or 2.6%. However, population estimates going forward show a static or even declining population.

Population at a glance

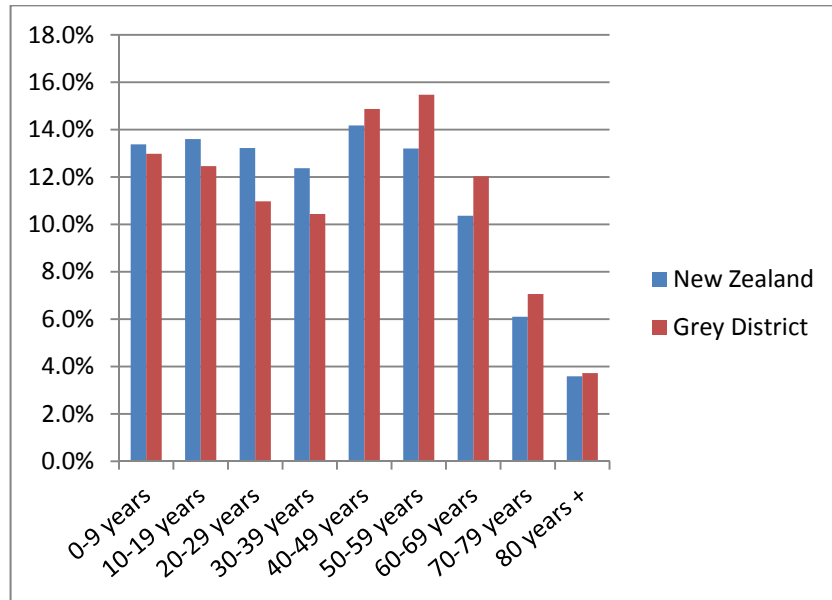
	as at date (last census)	Grey District	West Coast	New Zealand
Estimated population	5 March 2013	13,371	32,148	4,242,048
Population change 2006 - 2013 (people)	5 March 2013	+150	+822	+ 214,101
Population change 2006 - 2013 (%)	5 March 2013	1.1%	2.6%	5.3%

Population projections (sourced from Statistics New Zealand)

	Current	2021	2026	2031
New Zealand	4,242,048	4,798,000	5,004,400	5,194,600
West Coast	32,148	32,630	32,110	31,260
Grey District	13,371	13,800	13,650	13,350

Population

Age distribution of population as compared to the whole of New Zealand is displayed in the following graph (2013 census)



The median age (half are younger, and half older, than this age) is 41.9 years for people in Grey District. For New Zealand as a whole, the median age is 38.0 years.

16.0 percent of people in Grey District are aged 65 years and over, compared with 14.3 percent of the total New Zealand population.

19.9 percent of people are aged under 15 years in Grey District, compared with 20.4 percent for all of New Zealand.

Income

Income for People Aged 15 Years and Over - Grey District and New Zealand, 2013 Census



For people aged 15 years and over, the median income (half earn more, and half earn less, than this amount), in Grey District is \$26,600. This compares with a median of \$28,500 for all of New Zealand.

40.2 percent of people aged 15 years and over in Grey District have an annual income of \$20,000 or less, compared with 38.2 percent of people for New Zealand as a whole.

In Grey District, 24.4 percent of people aged 15 years and over have an annual income of more than \$50,000, compared with 26.7 percent of people in New Zealand.

7.2 The District in the future

Council is not predicting any substantial change to the make-up of the District over the ten 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 had and continue to 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:

Facing little or no growth

As mentioned previously, the projections for the Grey District and the West Coast are mostly static. Our District has been hard hit by the Pike River mine disaster and the closure of the Spring Creek mine and many families have left the area.

Greymouth and its 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.

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 is required 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.

Community economic development

In light of the above, Council has created a Community Economic Development Strategy, which is designed to improve our quality of life and attract people to live, work, play and invest in the Grey District.

In 2012, Council pulled together a group of key economic partners to help guide the Grey District's economic future over the next ten years. This governance group is known as the Economic Development Liaison Group (EDLG). The EDLG researched the District and region's current economic situation, reviewed strategies of similar cities, listened to locals and talked with both national and international experts. Based on the Grey District's strengths and challenges, they identified five Strategic Themes for the District to focus on during the next ten years.

At the highest level, the Community Economic Development Strategy is designed to unite stakeholders and provide a single, shared vision for the Grey District. This vision – *The Grey District as the Heart of the West Coast* – is ultimately about leveraging the resources available to enhance the Grey District's business, industry and economic growth performance.

Our Strategy:

- Articulates a bold economic vision and goals for the Grey District's economy;
- Identifies the challenges and opportunities we face in achieving that vision;
- Identifies the Grey District's economic value proposition and the most likely drivers of growth; and
- Proposes several 'Actions' that will positively affect those growth drivers and create opportunities for all.

The Strategy recognises that, all things being equal, the Grey District faces the risk of losing business and people to other cities. Ultimately, the Strategy has

been developed to increase the number of businesses and create jobs, by increasing our population and visitors to the District.

Planning for sustainability

In spite of Council's focus on improving our quality of life and creating greater diversity in our economy, sustained growth is not yet secure and the vulnerability of the economy is clearly felt as part of the global financial crisis and the effects of the Christchurch earthquakes.

Any positive growth will have implications for the Council and the District's communities, which include:

- 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;
- District 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;
- 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; and
- 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; and
- 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, including the Cobden Aromahana Sanctuary; and
- 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 Penguins.

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; and
- 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 minimisation 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; and
- 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 previous 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 should 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 F:[2] Key assumptions applied in the preparation of this Plan).

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;
- Return on financial investments; and
- 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

1.1 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.

1.2 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.

1.3 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
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.

In 2012/2013 Council also extensively consulted with the community on a draft Community Economic Development Strategy. We asked our community what they wanted now and for the future of our district. We then asked them to prioritise those actions. This feedback was incorporated into the Community Economic Development Strategy, which was adopted by Council on 12 August 2013.

As the vision, goals, themes and actions in the Strategy aligned with and confirmed our existing community outcomes, Council remains confident it is on the right track with our strategic vision.

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.

1.4 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. This process was repeated during consultation in 2012/2013 on the draft Community Economic Development Strategy, with complementary outcomes.

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.

1.5 A roadmap to achieving Council’s strategic vision: strategic vision and relationship with council activities

The following tables 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 purpose of this matrix is to demonstrate the relationship between Council’s outcomes and activities. Performance measures for activities within Council’s control are including in the group of activities statements.

ONE	Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient		
FOCUS AREA	ACTION	COUNCIL'S CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
Commercial and Industrial development	Ensure availability of land for development	<ul style="list-style-type: none"> We, through our Economic Development office, encourage private initiative in the provision of land for development. 	<ul style="list-style-type: none"> Economic Development Property & Housing
	A District Plan that is flexible to meet the balanced needs of the community	<ul style="list-style-type: none"> Providing a District Plan that is easy to interpret and an efficient application processing service. 	<ul style="list-style-type: none"> District Planning
	Provide quality access	<ul style="list-style-type: none"> We manage the District roading network (excluding state highways) including footpaths, and other transport facilities of the Port and aerodrome. 	<ul style="list-style-type: none"> Land Transport (roading) District Planning Port Aerodrome
	Provide adequate, convenient parking	<ul style="list-style-type: none"> We manage the provision of parking and regulate to ensure optimal use. 	<ul style="list-style-type: none"> Parking
	Address planning issues	<ul style="list-style-type: none"> Council is partnering the business community in the Community Economic Development Strategy to address planning and layout issues. 	<ul style="list-style-type: none"> District Planning Economic Development
	Address flooding issues in CBD within limitations of infrastructure	<ul style="list-style-type: none"> Council is responsible for all aspects of stormwater management. 	<ul style="list-style-type: none"> Stormwater
Tourism	Promote Council facilities throughout the District to help extend visitor stay and provide more things to do	<ul style="list-style-type: none"> We undertake the marketing of Council facilities as part of the wider economic development function. 	<ul style="list-style-type: none"> Economic Development
	Provide quality access	<ul style="list-style-type: none"> We manage the District roading network including footpaths, traffic signage, street lighting, bridges and road safety programmes. 	<ul style="list-style-type: none"> Roading District Planning
	Encourage use of Council owned facilities	<ul style="list-style-type: none"> We are directly responsible for a number of attractions. 	<ul style="list-style-type: none"> Swimming Pools Civic Centre/Westland Recreation Centre Libraries Arts, Culture and Heritage Parks and Reserves
	Support for and funding of the Regional Tourism Organisation (RTO)	<ul style="list-style-type: none"> Council strongly supports Tourism West Coast (TWC) as RTO and the principle of regional promotion. 	<ul style="list-style-type: none"> Economic Development
	Sustain the unique physical environment of the Grey District	<ul style="list-style-type: none"> Review and apply appropriate District Planning rules. 	<ul style="list-style-type: none"> District Planning
Agriculture, Mining, Fishing and Forestry	Advocate for these industries as important components of a diverse, growing economy	<ul style="list-style-type: none"> Council will provide leadership and advocacy to these and other industries within the District. 	<ul style="list-style-type: none"> Council (Democracy) Economic Development
Economic Development	Promoting: <ul style="list-style-type: none"> Diversity Opportunity Employment Growth Pride of place 	<ul style="list-style-type: none"> Council, through its Economic Development office, seeks to grow the local economy and to improve quality of life within the District. 	<ul style="list-style-type: none"> Economic Development

TWO			
Providing affordable, quality essential services			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
Roading	Provision of safe, convenient and durable road access within the District including signage, marking Promoting road safety	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"> Land Transport (roading)
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"> Stormwater
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"> Wastewater (sewerage)
	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"> Health Regulation
Water Supply	Providing clean, potable water to communities connected to the reticulation or wanting to connect in line with Ministry of Health (MOH) expectations. Ensuring consistency of supply	Council maintains and distributes the water supply network to a variety of commercial, residential and rural residential areas.	<ul style="list-style-type: none"> Water Supply
	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"> Health Regulation
Solid waste management (refuse and recycling)	Providing a competent waste and recycling collection, storage and disposal system for the District including management of McLean's Landfill and McLean's Recycling Centre	Council provides waste and recycling collection, storage and disposal service for the District.	<ul style="list-style-type: none"> Solid Waste Management
	Providing competent waste minimisation 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"> Solid Waste Management
	Providing functional litter management services including education	Council, as part of its Health promotion and amenity responsibilities, attends to the litter problem.	<ul style="list-style-type: none"> Amenity Management

THREE			
Building identity through diverse and quality and recreational and cultural facilities			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
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"> • Civic Centre/Westland Recreation Centre • Parks • Reserves (including walking tracks) • Coastal pathway • Aquatic Centre • Spring Creek Pool • Libraries <p>Council also facilitates recreation through a range of events organised through Sport Canterbury (West Coast office)</p>	<ul style="list-style-type: none"> • Civic Centre • Swimming Pools • Westland Recreation Centre • Parks and Reserves • Libraries
	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 (e.g. sports clubs, Regent Theatre etc).	<ul style="list-style-type: none"> • Economic Development
	Advocacy and facilitation	Council acts as lobbyist and promoter for recreational service providers, i.e. for external funding.	<ul style="list-style-type: none"> • Council (leadership) • Economic Development
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"> • History House • Pioneer library <p>Council also facilitates art and culture through a range of events organised through Regent Theatre and provides financial support to the West Coast Society of the Arts.</p>	<ul style="list-style-type: none"> • History House • Libraries
	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 (e.g. Grey Heritage Trust, Regent Theatre, Art in the Park etc).	<ul style="list-style-type: none"> • Economic Development
	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"> • Council (leadership) • Economic Development
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"> • Libraries • Public toilets • Cemeteries

FOUR			
The district has access to quality education facilities			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
Schools, Tertiary training , and community education	Facilitate availability of quality and variety of options throughout the District	Council has an advocacy and facilitation role.	<ul style="list-style-type: none"> Democracy and Administration (leadership)
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"> Libraries History House Aquatic Centre/Spring Creek Swimming Pool, Runanga Civic Centre/Westland Recreation Centre 	<ul style="list-style-type: none"> Libraries Civic Centre History House Swimming pools

FIVE			
The district has access to quality health facilities and regulation			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
Grey Base Hospital	Advocate for the provision of a full range of services at the Hospital Advocate for and on behalf of the Hospital	<ul style="list-style-type: none"> Council has a facilitation and advocacy role. 	<ul style="list-style-type: none"> Democracy and Administration (leadership)
Supportive Health services	Facilitate availability of professional health providers (e.g. GP's, Dentists etc)	<ul style="list-style-type: none"> Council has a facilitation and advocacy role. 	<ul style="list-style-type: none"> Democracy and Administration (leadership)
Food safety	Ensure a high standard of safety of food served to the public in the District	<ul style="list-style-type: none"> Inspection and licensing of food outlets. 	<ul style="list-style-type: none"> Health Regulation

SIX			
Personal and property safety			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
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"> Democracy and Administration (leadership)
Civil Defence	Provide a competent Civil Defence service	Council provides a Civil Defence and Emergency Management service.	<ul style="list-style-type: none"> Civil Defence
Rural Fire	Provide competent rural fire services in rural areas	Council forms part of the West Coast Rural Fire Authority.	<ul style="list-style-type: none"> Rural Fire Authority
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"> Animal Control

SEVEN			
Sustainable management of our environment			
FOCUS AREA	ACTION	OUR CONTRIBUTION	PRIMARY COUNCIL ACTIVITY INVOLVED
Resource Management Act	To apply the provisions of the Resource Management Act (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"> District Planning
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"> District Planning
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"> Waste Management
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"> Wastewater (sewerage) Health Regulation
Other Council services	To manage all aspects of other services in a way that minimises the impact on the environment	Council delivers other services, i.e. stormwater, roading, Aquatic Centre heating etc.	<ul style="list-style-type: none"> Stormwater Land Transport (Roading) Swimming Pools

PART C: Council's Financial Strategy

1 Strategy focus

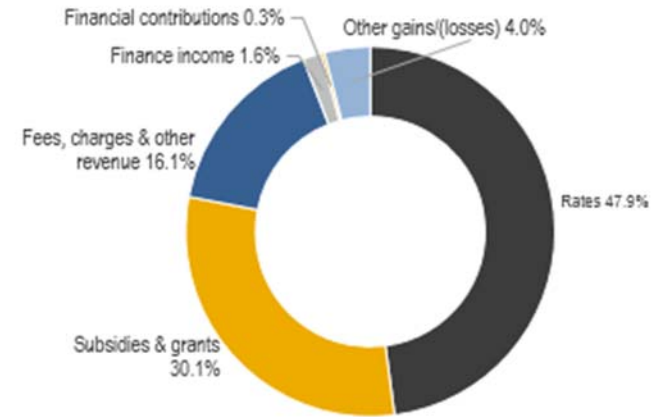
Council is involved in a wide range of activities that each presents its own unique funding requirements and challenges. Council is tasked with balancing the needs and wants of the community with the ability and willingness to pay. The Financial Strategy outlines the key issues that Council has considered 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

2 Balancing the books

Council has reported reasonable surpluses over the last five years and has budgeted to post another surplus for the 2014/2015 financial year. With an organisation the size of Council that is involved in many different activities, it is difficult to look at one figure - the bottom line - and determine that the Council is performing well financially and is in a financially sound position.

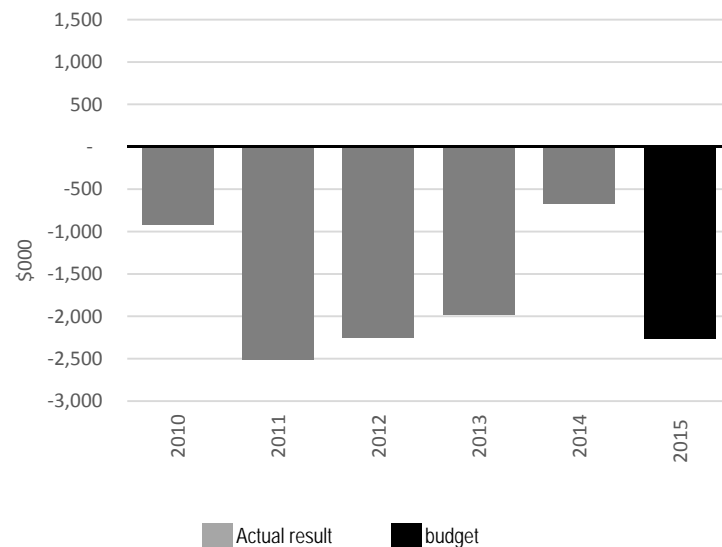
Council’s revenue comes from many different sources, the graph opposite summarises the relative sources of revenue over the last three years actual results and the current year’s budget.

Sources of Council revenue: 2012 – 2014 actual result and 2015 budget



Some of the revenue we receive relates to money contributed towards building new assets. The majority of this is from grants and subsidies, with other amounts received from developers making financial contributions and/or vesting new assets in Council. This revenue doesn’t relate to the ‘day to day’ costs of running Council. When we look at the financial result of Council excluding these ‘one off’ items of revenue and expenditure a more accurate representation is that has been running in deficit over the past five years. This isn’t automatically a bad thing for a Council over a short period of time and this has been a deliberate choice of Council over the past years as they prioritise expenditure across the Council activities whilst trying to balance this with the community’s ability to absorb rate increases.

Council deficits: 2010 – 2015 (excluding grants and subsidies for new capital and excluding other non-operating revenue)



What does a deficit mean?

Council has been collecting the required revenue to pay its day to day operating costs of 'running the business' (e.g. staff costs, paying suppliers and contractors, making loan repayments etc. A large part of our annual expenditure is made up from non-cash items, most significantly depreciation.

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 (i.e. not part of profit and loss).

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 re-values 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 cash surplus from operations. It is then a council's decision as to how that cash surplus 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**.

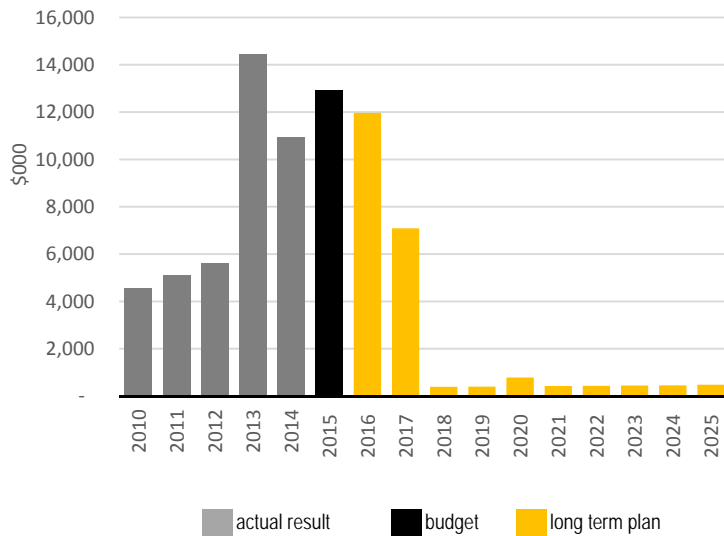
A deficit may indicate that a local authority is not requiring the community to pay its fair share for that year. A surplus on the other hand may signal either that funding is at higher levels than are required for future replacement, or that 'catch up' renewals are provided for because not enough had been funded in the past.

Why did Council decide to budget for deficits?

Over recent years Council has invested heavily in upgrading and building new wastewater (sewerage) systems, upgrading water supplies, as well as upgrading other facilities such as the Grey District Aquatic Centre. Whilst external contributions from grants and subsidies have been received towards these projects, they have required significant on-going ratepayer contributions. A key consideration of Council has always been the ability of the community to pay. Given the demands required to contribute to the costs of upgrading Council assets, a conscious decision was made to defer addressing fully funding a number of activities until the capital upgrades had been addressed. In our last ten year plan (2012-2022), we signalled that a number of our activities would run in deficit and that Council would look at options to address them as a part of this long term plan.

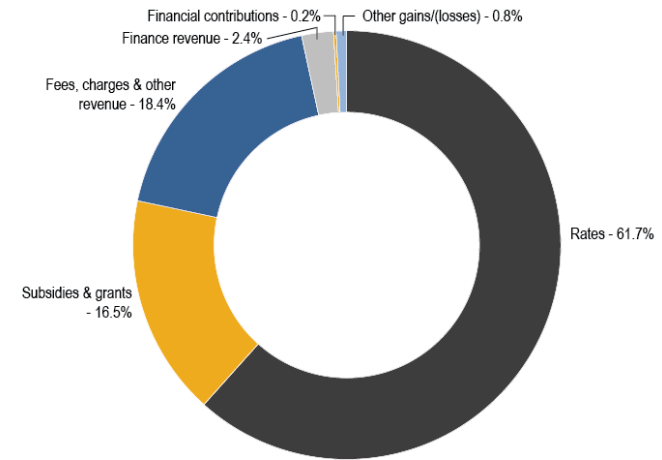
This major investment in new capital works is now nearing an end as demonstrated in the following graph (for more detail, please refer to PART D: Council’s Infrastructure Strategy).

Capital expenditure to meet additional demand or to improve the level of service



With this period of high capital investment in upgrading services nearing the end, Council must now address its responsibilities in maintaining the levels of service established and collecting a fair share of revenue from those who benefit from the services. As demonstrated in the following graph, the majority of Council’s revenue over the next ten years is to be raised via rates. A careful choice needs to be made in deciding how Council will fund the expenditure outlined in this plan.

Budgeted sources of Council revenue: 2016 – 2025



Our financial strategy therefore focuses on balancing the following:

1. Council working towards a position of an annual surplus;
2. Keeping debt levels within our policy limits and maintaining the capacity to borrow for unforeseen events (such as natural disaster);
3. Decreasing debt from year 3 of the Plan; and
4. Recognising that whilst rates need to increase, keeping annual increases less than 4.5%.

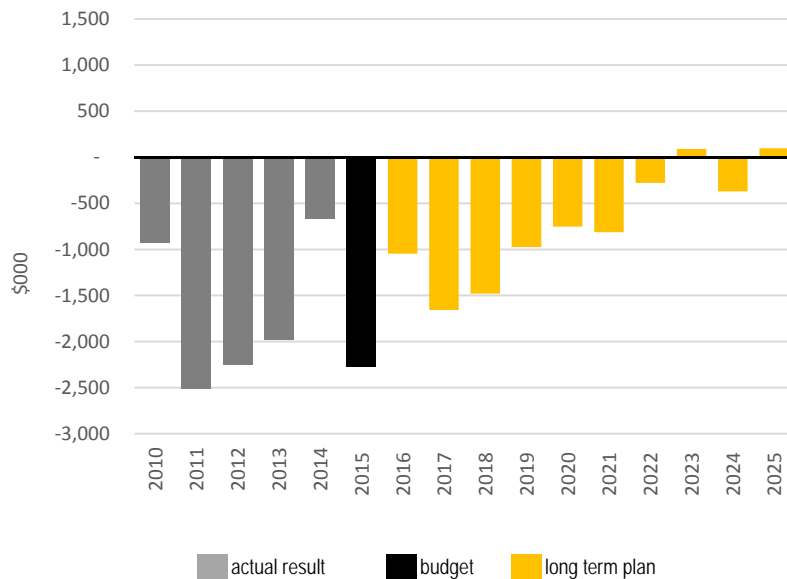
The challenge for this Council and community is to raise enough revenue to meet the current cost of providing services to the District and keep the Council in a sound financial position to face any challenges in the future.

3 Strategy elements

3.1 Council working towards a position of an annual surplus

As referred to on the previous pages, Council has effectively run in deficit over recent years. Council’s aim is to gradually address this over the next ten years and return to a position of surplus by the end of the ten year plan. The following graph summarises how this will be achieved across the whole of Council.

Council surplus / deficits (excluding grants and subsidies for new capital and excluding other non-operating revenue)



This is to be achieved by prioritising those activities where additional funding is assessed as being more critical, namely:

- Stormwater
- Port
- Water supply
- Land transport

Other activities will continue to run in deficit, notably

- Wastewater
- Swimming Pools

We discuss each of these further in the following pages.

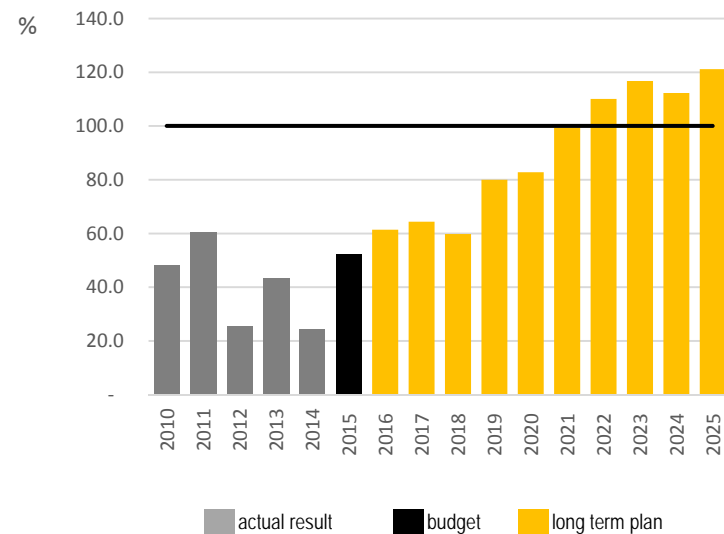
[a] Stormwater

The last Long Term Plan forecast this activity to run at an annual deficit. Council has identified this as one of its priorities for this Plan and will increase the rate input into the activity (above the rate of inflation) for every year of this Plan. This makes up 1.30% of the rate increase for year one.

The below graph demonstrates the current funding deficit of the activity and how this will move to a position of surplus by year seven. Council will, from there on, raise annual revenue (i.e. rates) at a greater amount than total annual expenditure to allow it to address any renewals backlog that has been created whilst the activity has been under funded.

Refer to the Stormwater section in PART E for activity information.

Depreciation funded for Stormwater activity



[b] Port

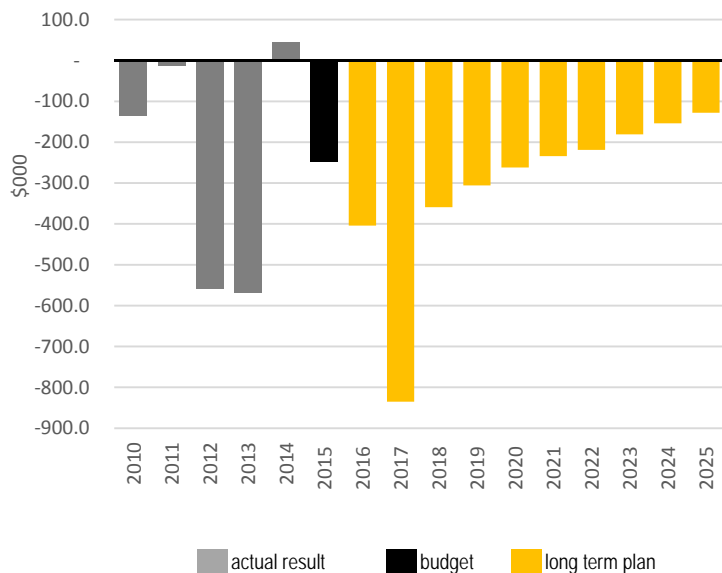
In the last Long Term Plan the Port was signalled as a difficult challenge for Council and it continues to be so. The Port has run at a deficit for many years, which Council has funded from asset sales (freeholding of leasehold sections).

Council has reduced its expenditure to what it believes are the minimum to still be able to operate the Port. With no significant value of assets available or likely to sell from this point forward, Council must provide additional revenue to keep the Port functioning.

Council will address this by:

- Increasing the ratepayer input into the Port by an amount of approximately \$40,000 per annum, and
- Increasing the contribution made from the users of the Port (fishing industry).

Port surplus / deficit



The Port will continue to run at a deficit for the life of the Plan. Council is proposing to increase ratepayer input into the Port and get an increased contribution from the fishing industry. Cash shortfalls in years 1 to 5 will be met from Council borrowing, with the increases in revenue used to repay debt from year 7 onwards.

While this doesn't balance the books, Council considers this to be a prudent approach because it takes into account intergenerational equity (spreading the costs and the benefits over several generations) and affordability of these services to our community.

To achieve this result:

- The user fees for the Port will increase by 15% in year one, with user contributions increasing annually over the life of the Plan from \$153,000 in year one to \$322,000 in year ten; and
- The rate input increases from \$108,000 in year one to \$468,000 in year ten.

Refer to the Other Transport section in PART E for activity information.

[c] Water supply

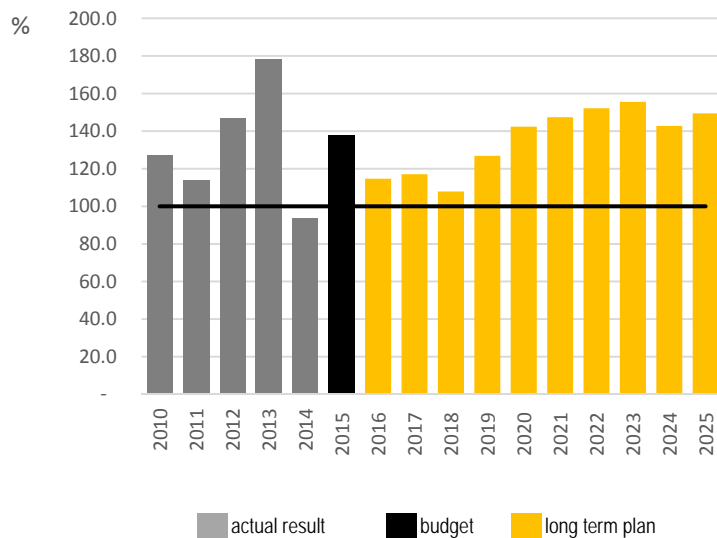
Over recent years Council has upgraded a number of water supplies to meet current standards with the remaining supplies to be upgraded in this current year.

Parts of the existing water supply network are nearing the end of useful life and Council is faced with addressing a backlog of renewal/replacement work to maintain the existing levels of service (for more detail, please refer to PART D: Council's Infrastructure Strategy).

It is on this basis that Council will increase the funding of this activity, carrying out condition assessments in years one to three and then increasing the asset renewal/replacement expenditure. Due to the backlog to be addressed, Council will be funding this activity in surplus.

Refer to the Water Supply section in PART E for activity information.

Depreciation funded for Water supply activity



[d] Land transport

The financial assistance Council receives from the New Zealand Transport Agency (NZTA) will decrease over years one to six of this plan, decreasing 1% per year from 62% to 57%. Based on the current maintenance and renewal programme, this equates to a loss in revenue of approximately \$120,000 per year.

Council will maintain the current rate input into the roading activity for years one to four with the annual reduction in NZTA financial assistance to be met from reducing expenditure and/or finding efficiencies. From year five the rate input will be increased by approximately 1% per year (over and above expected price increases).

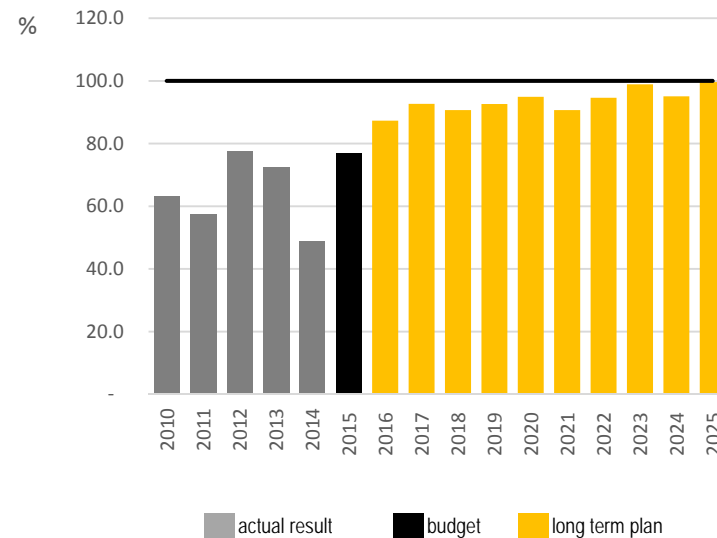
In the previous long term plans the land transport activity was generating reasonably sized deficits in most years. Given this being an essential service, Council’s strategy at the time was to look at ways of specifically addressing the issue in the development of this Plan. This Plan signals that land 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.
- Critically reviewing the useful lives of our roading assets, where the useful lives have been extended there has been a decrease in the annual depreciation expense.

Refer to the Land Transport section in PART E for activity information.

Depreciation funded for Land transport activity



[e] Wastewater

In recent times Council has invested a large amount in the development and upgrade of sewerage schemes (Greymouth 2004–2015, Taylorville/Dobson/ Kaiata 2013 – 2015). This not only relates to the provision of a better service but also focuses on the mitigation of associated health risks facing communities.

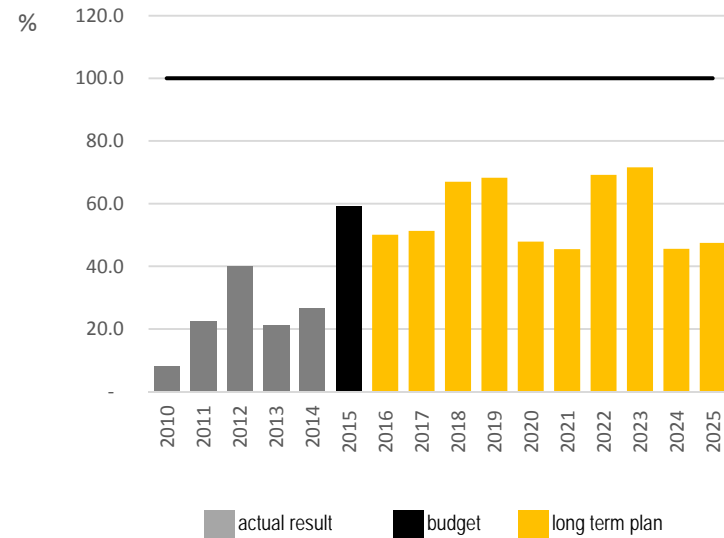
Council has received subsidies towards the schemes, with the balance of the costs funded from a targeted rate on the benefiting properties (via loan repayments). Because of the subsidies, the local communities are not paying the actual total cost of the schemes (if they had to it would be unaffordable).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

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 2025 and 2035.

Depreciation funded for Wastewater activity



By year ten of this Plan, Council will be in a position where it has largely addressed the funding of other Council infrastructure as outlined above and will be in a position to consider revenue increases for the Wastewater activity.

Refer to the Wastewater section in PART E for activity information.

[f] Swimming pools

These facilities have, in recent history, been funded from a mix of external contributions (grants and fundraising) and ratepayer input. The ratepayer input is by way of a loan funded over 30 years on the Aquatic Centre.

Because a large part of the funding of these assets is generated from external sources, Council is not fully funding the depreciation on the basis that to replace these assets will require either one or more of the following in the future:

- An increase in revenue from rates; and/or
- 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 revenue), the depreciation will not be fully funded and therefore the activity budget is not balanced.

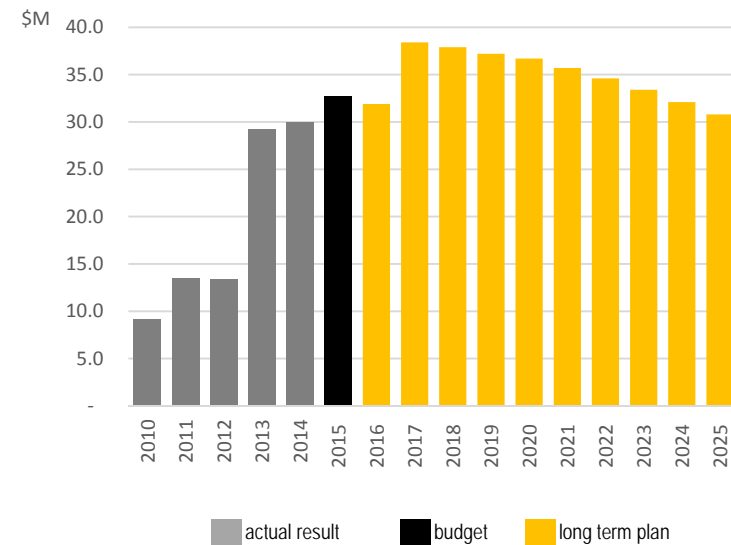
Council will meet all the anticipated maintenance and renewal costs associated with plant items at the Aquatic Centre. Also the total anticipated operating costs of the Westland Recreation Centre have been included in this Plan.

3.2 Debt

By June this year Council expects to owe \$29.8 million – or about \$3,500 per ratepayer.

This level of debt is forecast to increase and peak in year two of the long term plan, mostly related to the new landfill required at the District landfill as well as borrowing required to fund deficits at the Port in the first few years of the Plan.

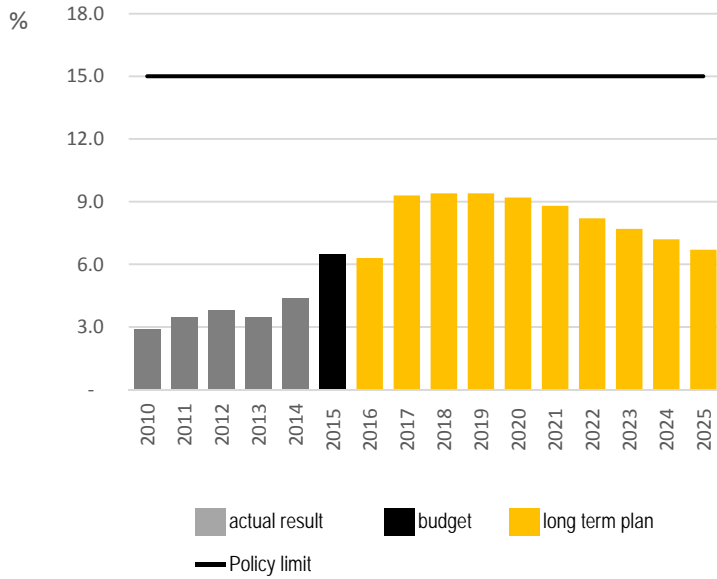
Total overall debt



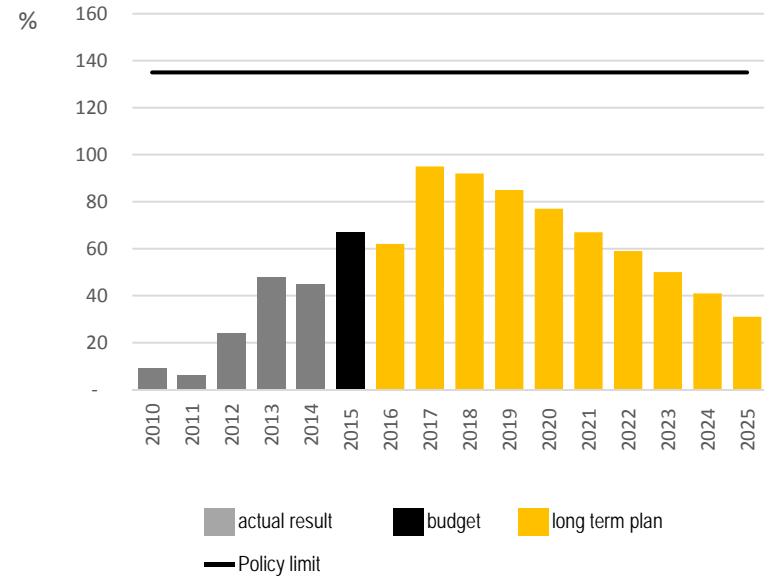
Council sets borrowing limits in its Liability Management Policy that set out the levels of debt that Council is willing to extend to on behalf of the community. These policy limits are set on the basis that it remains well within the parameters that Council feels is sustainable, especially those that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

The graphs on the following page illustrate the impact of the forecast borrowing in this Plan against the liability policy limits.

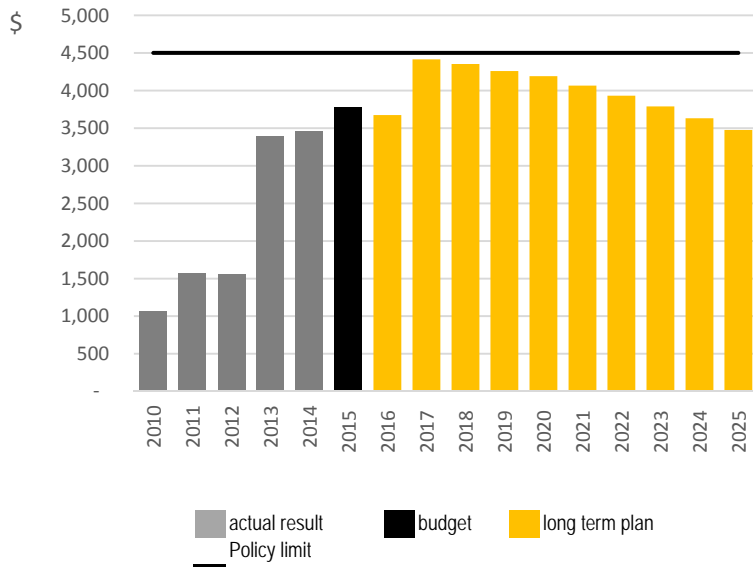
Debt servicing (finance) costs as a percentage of total revenue



Net debt as a ratio of total revenue



Total debt per ratepayer



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 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.

In the event of a significant unforeseen event (such as a natural disaster), it is likely Council will be required to borrow money that will push it outside its policy limits (particularly the ‘total debt per ratepayer limit’). Council’s view is that these limits are relatively conservative to purposely allow it to be in a position to exceed them in an unforeseen emergency.

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

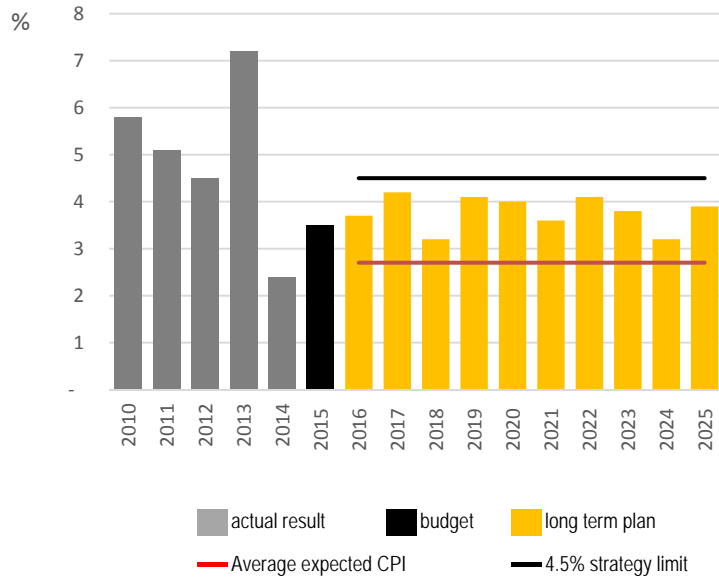
Other key financial data related to debt in this Plan

Total new loans borrowed in the ten years of this plan	\$ 8.9 million
Total debt repaid in the ten years of this plan	\$ 10.5 million
Total finance (interest) costs in the ten years of this plan	\$ 23.7 million

3.3 Rates

To achieve the goal of reducing Council’s deficit to a position of surplus by year 10 requires rates to increase at an amount greater than Council’s costs increase.

Rate increases

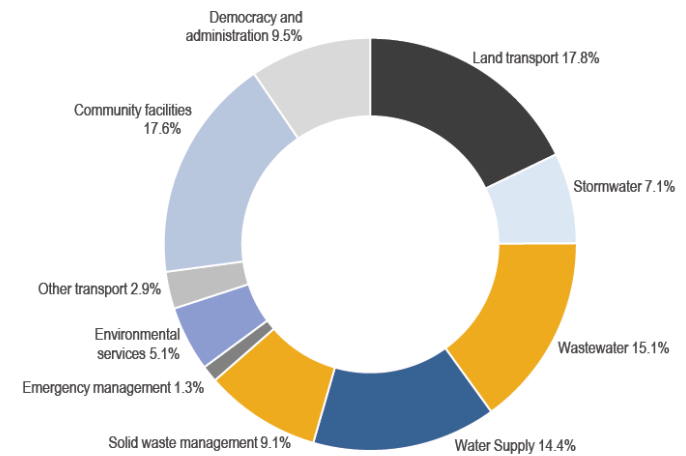


For rate increases to be lower, and align with expected inflation, Council would need to:

- Continue to defer those issues identified above, and/or
- Cut expenditure with associated decreases in levels of service.

Note: The impact of any rate rises will vary from property to property depending on the value of the property, what the property is used for and what targeted rates are applicable.

How your rates are spent



4 Other sources of funding and other issues

4.1 Investment revenue

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’s total investments are detailed in the balance sheet and increase over the life of this Plan by \$9.3 million.

As the majority of the investment returns are returned to Special Funds (reserves), the returns are not directly related to the funding of Council’s day to day expenditure. How these investments perform, whilst important, does not directly relate to Council’s Financial Strategy on funding the costs of providing the levels of service detailed in this Plan.

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.

4.2 Asset sales

In the last 15 to 20 years Council has sold many of its assets that were not held for any direct strategic purposes (i.e. not used as part of delivering Council services). The majority of these sales relate to freeholding of leasehold sections that Council owned. This also aligned with Council’s policy of encouraging private freehold ownership of these properties. Where the sale involved ‘harbour endowment’ land, the proceeds were used to fund Port deficits.

The availability of such assets for sales has now significantly reduced along with a decreased likelihood of the remaining assets being sold. Council is not considering the divestment (sale) of any other asset classes.

For the purposes of this Plan, Council will receive negligible return from the sale of assets and therefore there is no impact to Council’s Financial Strategy on funding the costs of providing the levels of service detailed in this Plan.

4.3 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.

4.4 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.

This Plan allows for the following capital expenditure:

Replacing and renewing assets	\$ 61.4 million
Building new assets	\$ 15.8 million

The detail of this is contained within each Group of Activity statement in PART E of this Plan.

4.5 Council's insurance cover and resilience

Just as many individuals and business owners have experienced recently, Council has had a challenges in recent years 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 the Draft Plan we signalled similar cover for 2015/2016 would cost approximately \$530,000. Savings have been made (see below and opposite for details) and our budgeted insurance cost for 2015/2016 is now approximately \$440,000. This included Council reducing the amount of cover on any assets that may not be replaced after a total loss. 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.

For the purposes of this Plan, our insurance cover for 2015/2016 will be approximately \$440,000, with modest savings achieved from:

- Partaking in a wider buying group of NZ local authorities for insurance brokerage and insurance placement
- A 'softening' in the market with reduced premiums expected

These costs are met from a mix of rates and user fees depending on the activities involved (refer to the Revenue and Financing Policy in APPENDIX B).

The likelihood of a natural disaster during the life of this Plan would be assessed as more than likely. The District has dealt with a number of smaller scale events in recent years (Greymouth tornado 2005, Cyclone Ita 2014 and a number of floods etc). Council has planned to deal with such events as a part of normal day to day business. Funding of responding to a larger scale event would need to be dealt with by a combination of:

- Special funds set aside (particularly the *Disaster recovery reserve*)
- External assistance (such as NZTA financial assistance)
- Borrowing
- Increasing rates and other revenue over and above what is signalled in this Plan

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.

As outlined previously, Council is not fully funding the depreciation expense for all activities. 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.

The below table summarises the deficit the Council is budgeting for in each year of this ten year plan. Also identified are the major items of expenditure that Council has chosen to not fully fund.

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Total revenue	30,872	25,701	26,343	27,048	27,994	28,817	29,857	30,946	31,879	33,071
Total operating expenditure	25,503	27,205	27,666	27,861	28,581	29,461	29,959	30,675	32,061	32,780
Net surplus / (deficit)	5,369	(1,504)	(1,323)	(813)	(587)	(644)	(102)	271	(182)	291
Major items specifically not funded										
Greymouth floodwall depreciation	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)
New Wastewater schemes depreciation (part of)	(479)	(469)	(364)	(352)	(582)	(665)	(378)	(351)	(755)	(732)
Swimming pools depreciation (part of)	(204)	(191)	(200)	(184)	(165)	(183)	(158)	(132)	(155)	(125)
Port deficits	(404)	(835)	(359)	(306)	(262)	(234)	(219)	(181)	(154)	(128)
Net surplus / (deficit) - excluding the above expenditure items not funded	6,544	79	(312)	117	510	526	741	1,023	970	1,364

5.1 Why is Council not fully funding this expenditure?

Greymouth floodwall depreciation

Whilst owned by Council, we are not responsible for the structural maintenance or renewal of it, and therefore it makes sense that the depreciation expense is not funded by this Council.

The West Coast Regional Council is responsible for maintaining and renewing this asset.

New Wastewater schemes depreciation (part of)

This is a significant sum of expenditure that Council has chosen not to fully fund during the life of this Plan.

Council has invested heavily in upgrading and building new schemes in the last few years, namely:

- Blackball
- Greymouth
- Taylorville/Dobson/Kaiata

Council has received 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 generate an annual deficit as the depreciation expense reflects the full cost of the new assets.

If Council were to raise sufficient revenue (via rates) to fully fund the depreciation expense then effectively the current community would not receive any benefit from the subsidies received.

Swimming pools depreciation (part of)

The recently built Grey District Aquatic Centre and upgraded Spring Creek Pool (Runanga) were funded largely from external fundraising and donations.

If Council were to raise sufficient revenue (via rates) to fully fund the depreciation expense then effectively the current community would not receive the benefit from the successful fundraising to build/upgrade the new facilities.

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 previously, the options to reduce these deficits are largely limited to increasing revenue from rates. Accumulated deficits will need to be addressed by Council operating in surplus beyond the life of this Plan.

Port

The Port has run at a deficit for many years and continues to for the life of the Plan. Council will increase ratepayer input into the Port and get an increased contribution from the fishing industry. Cash shortfalls in years 1 to 5 will be met from Council borrowing, with the increases in revenue used to repay debt from year 7 onwards. Council considers this the most prudent approach.

PART D: Infrastructure Strategy 2015-45

1 Executive Summary

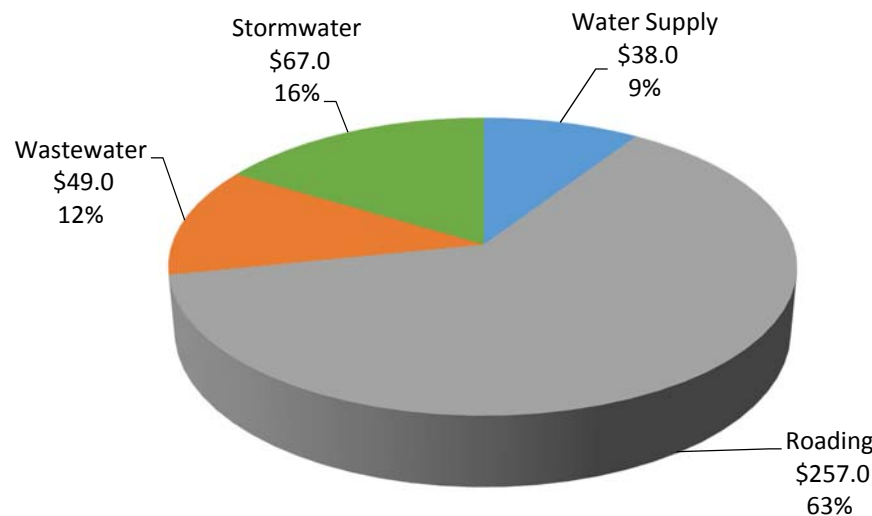
1.1 The Council’s infrastructure

Grey District Council owns and manages \$411 million of infrastructure assets (2014 replacement cost), including:

- 610 kilometres of roads (61% sealed) and 102 kilometres of footpaths;
- Council owns and operates the five separate water schemes in the district. The water networks require approximately 190 kilometres of pipes, nine reservoirs, and twelve pump stations to deliver over 2.6 billion litres of water per year to 5,569 households and businesses;
- Six wastewater schemes and treatment plants, along with thirty nine pumping station and 190 kilometres pipe servicing 5,858 properties;
- 125 kilometres of urban stormwater pipes and five pump stations.

The road network represents over half of the network by value, as illustrated in Figure 1-1 (values shown in 2014 replacement cost) below, shown in millions of dollars.

Figure 1-1: Grey District Council’s Infrastructure Value



This Strategy provides a 30 year view of potential strategic issues and options in relation to these services and outlines a 30 year view of expenditure requirements.

Grey District Council’s transport assets comprise the Road Network, Port, Aerodrome, Minor Water Facilities and Car Parks. Council is responsible for the management of a roading network that comprises of approximately 610 kilometres of roads, the Port, one aerodrome situated in Blaketown, seven water facilities and eight public car parks in Greymouth. The Port, Aerodrome, and car parks are not deemed to be significant infrastructure and therefore are not included in this Strategy.

The Council plans to maintain the existing extent of the transportation asset group and do not envisage any significant extensions. However as signalled elsewhere in this Plan, the NZTA financial assistant rate (FAR) will be reduced to 57% over the first 5 years of this AMP. This may lead to Council having to rationalise the extent of its network further and/or consider reducing service levels to minimise the impact on the rates funding component of its forward programmes.

There has been significant investment in the water supply and wastewater network over the last decade. Upgrades to treatment facilities have been carried out with the aim of meeting the NZ Drinking Water Standards and achieving resource consent compliance for treated wastewater effluent discharges. Once these upgrades are complete in 2016, the focus over the next 30 years is expected to be on maintaining and renewing the existing water and wastewater infrastructure to meet resource consent conditions and meet current drinking water standards. New standards that may be introduced through future legislation have not been allowed for in this strategy and would need to be addressed at the time.

Extension of the existing Greymouth water supply to Kaiata was proposed to be completed by late 2017 in the Draft Plan. However, the Kaiata community was consulted separately on whether they wished to proceed with a new water supply scheme and the majority of respondents were not in favour. Therefore the project is not proceeding at this time and is not included in this Plan. However there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan

Since 2008 the total length of stormwater pipe networks has increased from 84.5 kilometres to 125.1 kilometres. A significant proportion of this increase is in the Blaketown, Cobden and Greymouth areas where existing combined stormwater-sewer pipes have become dedicated stormwater only pipes.

Over the next thirty years, the District's population is expected to remain relatively static. Any increase in demand for infrastructure services is more likely to be driven by industrial changes or a ratepayer desire for expansion of the networks.

Current Data and Potential Renewals Backlogs

Council uses a geographical information system with specifically developed assets management software developed and supported by AssetFinda Ltd to collate asset information on the location, age, condition and material of assets. Other important information such as additions, disposals and costs of assets are also collated in this system. The system also is able to provide valuation information and predictive analysis. Further collection of data about the condition of the assets is still required to utilise this system effectively.

However based on the current data and relying mostly on the expected average service lives of our assets, Council believes there are potential renewals backlogs in Water Supply, Wastewater, Stormwater and Roads.

After consultation with the wider community, Council has budgeted **\$160,000 over three years for Stormwater** and **\$100,000 over three years for Water Supply** to carry out these detailed assessments of the condition of our assets.

Funding is currently being sought to review seismic capacity of bridges over the next 3 years. The results of this study will form the basis for renewals/upgrades of bridges from year 4 onwards subject to availability of funding.

In the 2012-2022 LTP, Council signalled that due to depreciation levels being higher than proposed funded renewals there would be increased deficits that would need to be funded in the future. As part of this Plan, the proposed condition assessments will be able to confirm, or otherwise, this assumption. Any changes in the actual useful life of the pipes will be included in the prioritisation plan that Council will develop after all condition assessments have been completed.

More detailed information is available in the Asset Management Plan for each activity.

1.2 Key Infrastructure Issues and Options

Below are the key issues and options identified within the activities of Water Supply, Wastewater, Stormwater and Land Transport. **These are the issues and options that formed the basis of our consultation with the Grey District community.**

Water Supply

The main issues identified for water supply, and Council’s proposed responses, are:

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council needs more accurate data about the condition of its water supply infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council’s Financial Strategy for more information).	• Carry out condition assessments in years 1 to 3	✓		
	• Carry out upgrade works years 4 to 30 based on priorities established from assessments	✓	✓	✓
	• Investigate advantages and disadvantages of water metering for all consumers	✓	✓	✓
	• Defer renewals	✓	✓	✓
	• Increase funding levels, i.e. from rates, transfer funds between activities	✓	✓	✓
	• Club Scheme for renewals as well as maintenance and operations. A Club Scheme is a funding arrangement whereby larger communities assist smaller communities	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓

Implications are:

- Potential for critical failure if assets are not renewed/replaced in time
- Impact on level of service currently provided by Council
- Lower levels of satisfaction from users in some areas, e.g. potential for lower quality of drinking water (i.e. colour, taste)
- Higher cost if renewing/replacing before the end of the asset’s useful life
- Funding required for future works
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake
- Public health/safety issues

Wastewater

The issues identified for wastewater, and Council’s proposed responses, are:

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Some parts of sewerage schemes are nearing the end of their useful life and need replacing. Council needs to ensure there is adequate funding for maintenance, renewals.	• Carry out condition assessments of existing pipework to assist in determining its expected life	✓		
	• Budget sufficient funds for timely replacement	✓	✓	✓
	• Replacement of parts of the Runanga sewer network is planned for within the term of this LTP and costs have been included in this Plan	✓		

Implications are:

- If pipes, plant and equipment are not replaced in a timely manner, loss of service (outages), leakage of untreated discharges to properties and the environment could occur.

Stormwater

The issues identified for stormwater, and Council’s proposed responses, are:

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council needs more accurate data about the condition of its stormwater infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council’s Financial Strategy for more information).	• Carry out condition assessments and defer renewals if possible once condition assessments completed	✓		
	• Increase funding levels, i.e. from rates, transfer funds between activities, Club scheme	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓

Implications are:

- Potential for critical failure if assets are not renewed/replaced in time
- Impact on level of service currently provided by Council
- There may be safety, property damage and legal issues if levels of service change
- Lower levels of satisfaction from users in some areas
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake
- Higher cost if renewing/replacing before the end of the asset’s useful life
- Funding required for future works

Land Transport

The main issue for Council is the possibility of constrained funding which could place pressure on levels of service. Financial assistance rates from NZTA reducing from the current rate of 62% (Year 1) for maintenance and renewals to 57% (Year 5). The implementation of a national One Road Network Classification may also see a reduction in funding for low traffic volume roads. Council's will to seek to extend pavement and surfacing lives as far as possible with minimal reduction in level of service.

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Funding: Financial Assistance Rates (FAR) from the NZTA are reducing from the current rate of 62% (year 1) for maintenance and renewals to 57% (year 10).	• Stop providing services in some areas	✓	✓	✓
	• Deferring renewals	✓	✓	✓
	• Increase funding levels, i.e. from rates	✓	✓	✓
	• Increase user pays (regional fuel tax)	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓
	• Further FAR reductions are not signalled in the plan, however may eventuate as NZTA review their rates five yearly	✓	✓	✓

Implications are:

- Less NZTA funding available for maintenance, replacement and renewal of roading services
- Impact on level of service currently provided by Council
- There may be safety issues if levels of service change
- Lower levels of satisfaction from users in some areas

1.3 Outcome of community consultation

As part of the community consultation we undertook on the Draft Plan, options for material issues and the implications with regards to our infrastructure were provided for community feedback. All of Council's preferred options were accepted by the community, adopted by Council and included in the final Long Term Plan. Council's most likely scenarios, as confirmed by community consultation, are outlined in the Summary in the next section, 1.4-Overall Position. You can also find more information on these in the relevant activity statements further in this Plan, ie PART E:1-Land transport, PART E:2-Stormwater and PART E:4-Water supply.

Although not included above, the extension of the existing Greymouth water supply to Kaiata was proposed to be completed by late 2017 in the Draft Long Term Plan. However, the Kaiata community was consulted separately on whether they wished to proceed with a new water supply scheme and the majority of respondents were not in favour. Therefore the project is not proceeding at this time and is not included in this Plan. However there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan.

1.4 Overall Position

The following graphs show the **most likely scenario** for total operating expenditure, total renewals versus depreciation expenditure and the total renewals for Water Supply, Wastewater, Stormwater and Land Transport.

Please note that capital expenditure is not shown as very little, if any, is planned. We have listed some of the capital projects we're planning to undertake further in the Strategy. Other capital projects were considered but not included in our Plan to help keep rates rises from getting too big. These projects were categorised as a 'C' priority, which mean they:

- Increase levels of service above current levels provided at an additional cost; and/or
- Have no immediate/long term effect on the current levels of service or financial sustainability of Council if projects do not proceed; and/or
- Involve activities/services that aren't a part of Council's core services.

The 'C – List' can be viewed on our website, www.greycdc.govt.nz/ltp.

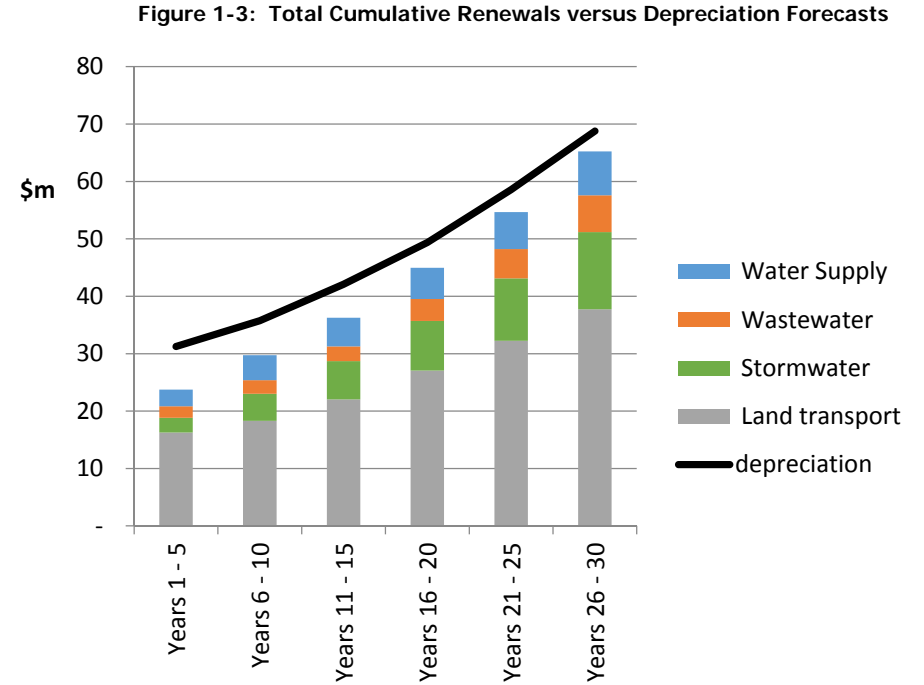
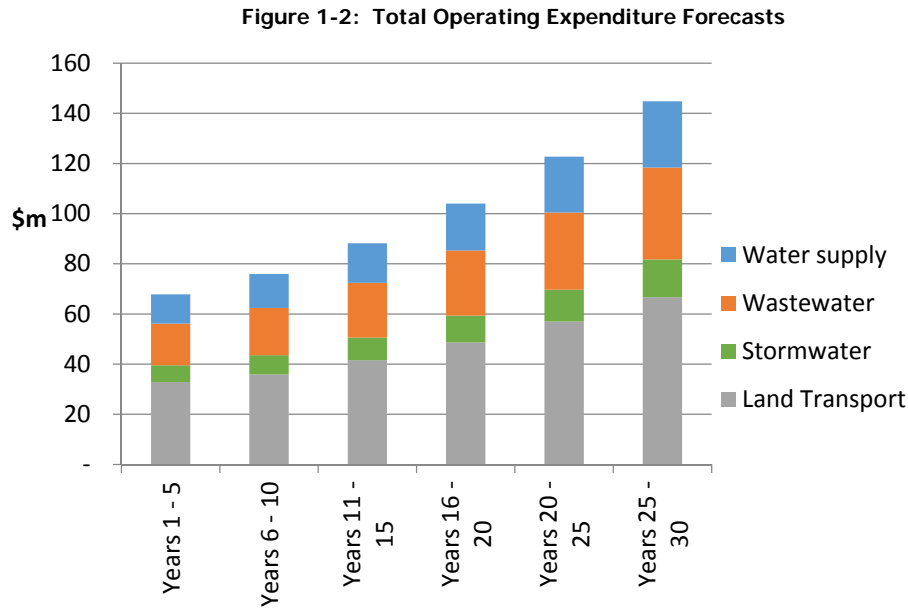
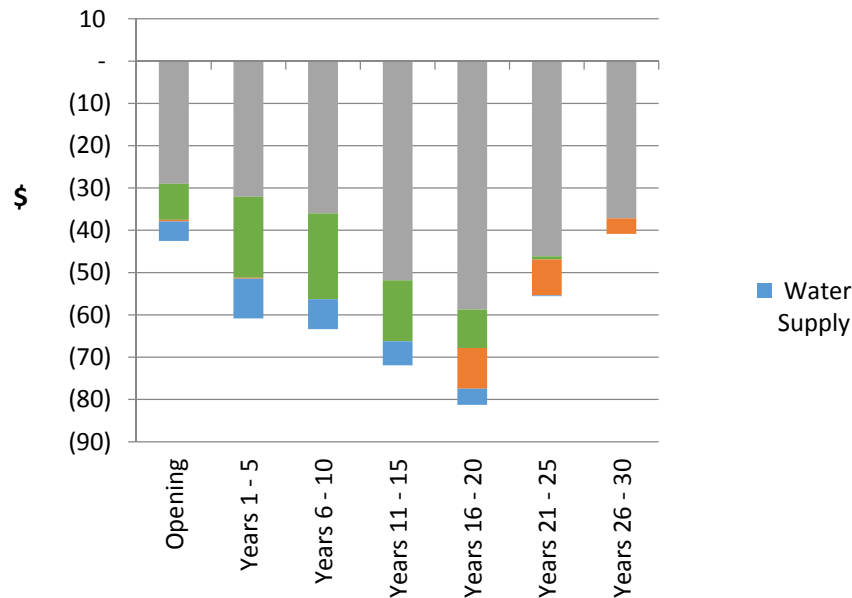


Figure 1-4: Total Renewals Backlog



Summary

The 30 year Strategy for the District’s infrastructure is to continue current levels of service to a static or gradually decreasing population over the time span covered by the Strategy.

Council has outlined the potential counter measures, or growth drivers, and the impacts of those drivers to the static or declining population within each asset management plan.

This is to be achieved by timely and cost effective maintenance and replacement of assets, guided by realistic forecasting as to when these needs can be expected to arise.

A renewal model has been developed which will be refined on an ongoing basis over the life of the plan. This will allow ongoing improvement to the accuracy of replacement forecasting.

Further detailed assessments of asset condition will help Council to address the potential renewals backlog, if any. In this Strategy, Council will work off the data it has and plan to cap the potential renewals backlog and reduce over the next 30 years.

This is in line with our Financial Strategy which focuses on:

- Council working towards a position of annual surplus by 2025;
- Keeping debt levels within our policy limits and maintaining the capacity to borrow for unforeseen events, eg a natural disaster;
- Debt decreasing from year 3 of the Plan; and
- Recognising that whilst rates need to increase, we want to keep the increase to less than 4.5% per year.

The funding implications our our most likely scenario, as confirmed by our community consultation, are detailed below:

Water Supply - Rates

- **Rate increase of 0.1% in year 1** and then annual rate increases from year 2
- The cost of detailed assessments for **years 1-3** will be approximately **\$100,000** in total
- In **years 11 – 20**, Council has applied **approximately 0.5% rate increase every year** above inflation directed towards funding ‘backlog’
- In **years 21 – 30**, Council has also applied **approximately 0.3% rate increase every year** above inflation directed towards funding ‘backlog’.

Wastewater - Rates

- 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**

Stormwater - Rates

- Moderate **rate increase of 1.3% in year 1** then smaller annual rate increases from year 2 onwards
- The cost of detailed assessments for **years 1-3** will be approximately **\$160,000** in total
- In **years 11 – 20**, Council has applied **approximately 0.5% rate increase every year** above inflation directed towards funding ‘backlog’
- In **years 21 – 30**, Council has also applied **approximately 0.3% rate increase every year** above inflation directed towards funding ‘backlog’.

Land Transport – Rates

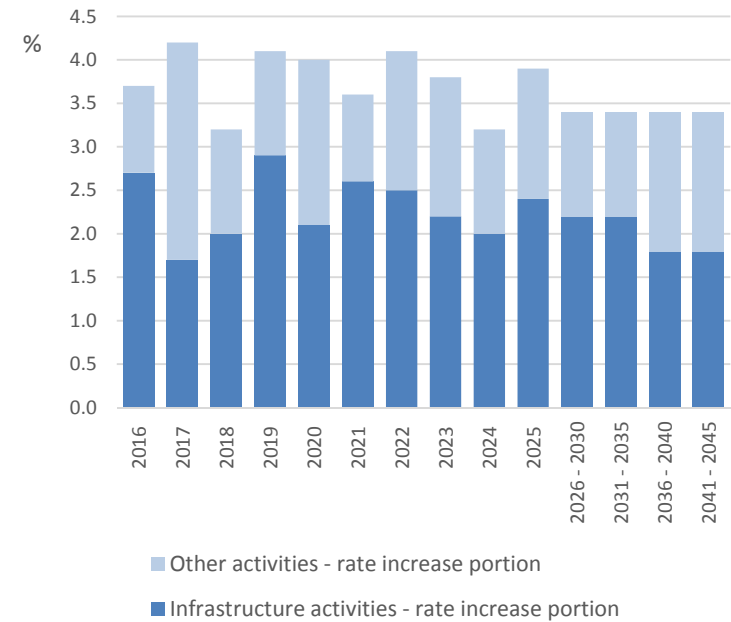
- No short term increase in costs as efficiencies will be found within the current roading programme to match decreased available budget
- There will be increased long term costs through deferred renewals
- Some renewals, such as bridges, cannot be deferred and must be replaced
- In the long term, Council is signalling a **1% rates increase from year 5**

Summary Infrastructure – Rates

The graph opposite shows how the rates described above contribute to the overall rates increase over the next 30 years. In years 1 to 10, the percentages include CPI, as per our assumptions in the Plan. In years 11 to 20, CPI is estimated at 3.4%.

Note that in Years 11 – 30, the annual rates increase is per annum.

Figure 1-5: Infrastructure rates as a percentage of total rates



2 Introduction

2.1 Purpose of this Strategy

The Local Government Act 2002, Amendment Act 2014, was passed on 7 August 2014 and includes a requirement for local authorities to develop an Infrastructure Strategy covering a minimum period of 30 years. In accordance with this Act, this Strategy aims to:

- a) Identify significant infrastructure issues for Grey District Council over the period covered by the Strategy; and
- b) Identify the principal options for managing those issues and the implications of those options.

The Strategy is both informed by, and provides strategic direction to, the infrastructure asset management plans. It is also intended to align with the Council’s Financial Strategy.

2.2 Overview of the Grey District’s Infrastructure

Grey District Council owns and manages \$411M of infrastructure assets (2014 replacement cost), including:

- 610 kilometres of roads (61% sealed) and 102 kilometres of footpaths;
- Council owns and operates the five separate water schemes in the district. The water networks require approximately 190 kilometres of pipes, nine reservoirs, and twelve pump stations to deliver over 2.6 billion litres of water per year to 5,569 households and businesses;
- Six wastewater schemes and treatment plants, along with thirty nine pumping station and 190 kilometres pipe servicing 5,858 properties; and
- 125 kilometres of urban stormwater pipes and five pump stations.

The road network represents over half of the network by value, as illustrated in Figure 1-1 (values shown in 2014 replacement cost), shown in millions.

2.3 District Context

Council’s Long Term Plan provides an overview of the community profile now and over the next 30 years. A brief summary of expected changes, as they may impact on the provision of infrastructure, is as follows:

- A stable or slightly declining and ageing population;

- An ageing population, already older than the national average; and
- A community with an average income significantly lower than the national average.

Overall, economic and social changes are not expected to drive any significant changes in demand for services; however the last three bullet points mean that rates levels are likely to be a key area of concern for the community.

The District is potentially at risk from a number of natural hazards – earthquake, tsunami, climate change and flooding – the latter being the most regularly experienced.

2.4 Strategic Links of Infrastructure

Community Outcomes are the goals and aspirations that Council is working towards achieving for the District. The Council has developed seven Community Outcomes for the Grey District and these are:

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

Achieving these Community Outcomes requires:

- A clean reliable supply of water for drinking and firefighting;
- A safe reliable land transport network;
- Protection of private property and transport corridors from the effects of stormwater; and
- Safe disposal of wastewater.

The infrastructure activities support a number of Grey community outcomes, as detailed in each asset management plan. However, the primary focus of the roading, stormwater, water supply and sewerage activities is supporting economic activity and protecting property. Water supply and wastewater

services to urban, commercial and industrial customers also contribute to enabling economic activity but additionally support public health and, for wastewater schemes, protect the environment.

Council's specific objectives for each activity are expressed through the levels of service and performance measures which are described in each asset management plan and summarised in Council's Long Term Plan.

3 Water Supply

3.1 Background

Since 2008 there has been approximately \$3 million invested in upgrading schemes to comply with Drinking Water Standards. A further \$2 million is proposed during the early stages of this plan. Consolidation of individual schemes such as the connection of the Stillwater Supply to the Dobson-Taylorville Supply and the connection of this supply to the Greymouth Supply will result in fewer, but more resilient water sources. Upgrades are all due for completion by December 2015, with the Runanga-Rapahoe treatment plant upgrade by December 2016.

Extension of the existing Greymouth water supply to Kaiata was proposed in the Draft Plan. However, the Kaiata community was consulted separately on whether they wished to proceed with a new water supply scheme and the majority of respondents were not in favour. Therefore the project is not proceeding at this time and is not included in this Plan. However there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan.

See below for the programme of upgrades, both the Compliance Dates and the Target Dates:

Water Supply	Compliance Date	Compliance Target Date
Stillwater	1st July 2015	31st December 2015
Dobson-Taylorville	1st July 2014	31st December 2015
Runanga-Rapahoe	1st July 2014	31st December 2016
Greymouth	1st July 2013	30th June 2015

A few points regarding the gaps between the Compliance Dates and the Target Dates:

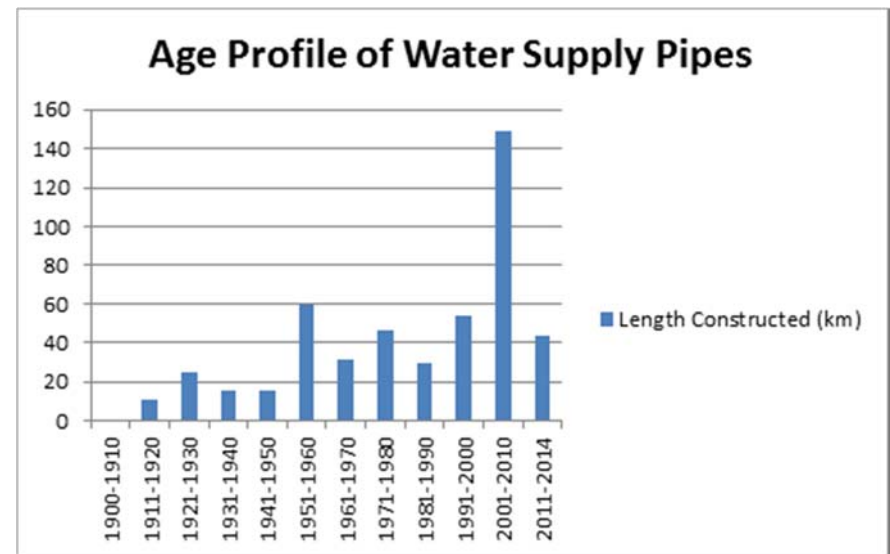
- While legally Council has not complied with these dates, Council has Ministry of Health approved Water Safety Plans in place to manage the risks until all the supplies meet in full the requirements of the NZDWS.
- The Blackball water supply has been upgraded and fully meets the NZDWS.

- In December 2014, the Greymouth Scheme was being upgraded to meet the NZ Drinking Water Standards. The project is currently on track for the Target Date listed above.
- The Ministry of Health have approved funding assistance for both Stillwater and the Dobson-Taylorville schemes. The Stillwater water supply is to be connected to the Dobson-Taylorville Scheme and this scheme is then to be connected to the Greymouth Scheme.

After that time, unless there are unforeseen changes to regulatory standards (resource consent conditions at water takes or drinking water standards), no major upgrades are expected in the 30 year period. It should be noted that Council may be asked to take over the operation and maintenance of two community run water supplies during the plan; these being the Ahaura and Nelson Creek water supplies. These will need to be assessed at the time to confirm if they meet in full all the standards required of a Council managed water supply scheme.

Figure 3-1 below indicates the approximate date of construction and hence the age profile of the water supply pipe network in ten-year brackets.

Figure D-1: Age Profile of Water Supply Pipes



Given the age of the schemes (most constructed since 1950), the renewal requirements are expected to stay at the level of depreciation. The likelihood of significant changes to water demand arising from population or land use changes is considered low and unlikely to cause demand to exceed the capacity of the networks in the next 30 years. Any upgrade is more likely to be triggered by:

- New 'wet' industry; or
- Demand from the community to either provide schemes within urban area that currently do not have such services or to extend existing urban services.

3.2 Issues and Options

Over recent years Council has upgraded a number of water supplies to meet current standards with the remaining supplies to be upgraded within the first three years of this Strategy. Parts of the existing water supply network are nearing the end of useful life and Council is faced with addressing a backlog of renewal work to maintain the existing levels of service.

The following table details the issues and options for this activity.

As part of the community consultation we undertook on the Draft Plan, options for material issues and the implications with regards to our infrastructure were provided for community feedback. Council specifically consulted on the Water Supply issue highlighted in red below and proposed the following as a means of addressing the issue:

- **Rate increase of 0.1% in year 1** and then annual rate increases from year 2;
- The cost of detailed assessments for **years 1-3** will be approximately **\$100,000** in total;
- In **years 11 – 20**, Council has applied **approximately 0.5% rate increase every year** above inflation directed towards funding 'backlog'; and
- In **years 21 – 30**, Council has also applied **approximately 0.3% rate increase every year** above inflation directed towards funding 'backlog'.

All of Council's preferred options were accepted by the community, adopted by Council and included in the Final Plan. You can also find more information on this in the Water supply activity statement in PART E of this Plan.

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council needs more accurate data about the condition of its water supply infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council's Financial Strategy for more information).	• Carry out condition assessments in years 1 to 3	✓		
	• Carry out upgrade works years 4 to 30 based on priorities established from assessments	✓	✓	✓
	• Investigate advantages and disadvantages of water metering for all consumers	✓	✓	✓
	• Defer renewals	✓	✓	✓
	• Increase funding levels, i.e. from rates, transfer funds between activities	✓	✓	✓
	• Club Scheme for renewals as well as maintenance and operations. A Club Scheme is a funding arrangement whereby larger communities assist smaller communities	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Our current water supply storage for Greymouth is 10-12 hours storage – this is below the national standard for fire safety of 24 hours.	<ul style="list-style-type: none"> Provide increased storage to meet national targets, additional water reservoirs (this has not been provided for in this LTP) 		✓	✓
	<ul style="list-style-type: none"> Accept risk of not providing adequate storage 	✓		
	<ul style="list-style-type: none"> Provide information to encourage property owners to provide supplementary storage 	✓		
	<ul style="list-style-type: none"> Educate consumers on water conservation 	✓		
The Runanga/Rapahoe water supply is currently the only one that Council does not provide any treatment for. When floods and ground disturbances occur in the area, the water supply can and has become contaminated, necessitating boil water notices and costly temporary protection.	<ul style="list-style-type: none"> Ministry of Health have approved funding assistance for the introduction of raw water protection for the Runanga/Rapahoe water supply Council has programmed this for 2015/2016 	✓		
Provision of reticulated water supply for the Kaiata community by connecting the area to the Greymouth supply to provide full protection to the community. Currently the community is serviced by on-site property owned rainwater collection systems.	<ul style="list-style-type: none"> Further to consultation with the Kaiata community as part of the Draft LTP, this project will not be proceeding at this stage as per their feedback. This project is therefore not included in this Plan, however there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan. 		✓	
Damage to water supply network components from natural hazards, e.g. earthquakes.	<ul style="list-style-type: none"> Improve the resilience of schemes as budgets allow, e.g.: 	✓	✓	✓
	<ul style="list-style-type: none"> o Completion of the provision of main reservoir pipeline burst valves to stop reservoirs draining water if pipelines are broken during earthquake 	✓	✓	✓
	<ul style="list-style-type: none"> o Use flexible pipelines in replacements 	✓	✓	✓
	<ul style="list-style-type: none"> o Bolt down all equipment and pumps 	✓	✓	✓
	<ul style="list-style-type: none"> o Undertake longer term assessments on buildings and structures as reservoirs 	✓		
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	<ul style="list-style-type: none"> Upgrades to be investigated if required. 	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	<ul style="list-style-type: none"> Council will remain receptive and support community initiatives when approached 	✓	✓	✓
	<ul style="list-style-type: none"> Council will continue to consult with developers to determine demand and capacity requirements 	✓	✓	✓
Water supply is an important Lifelines component in the event of an emergency.	<ul style="list-style-type: none"> Council will continue to maintain its water supply network to the best of its ability 	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.:</p> <ul style="list-style-type: none"> Proposed requirement for new water supply infrastructure Where will the funding come from for these works? Funding for maintenance of new assets 	<ul style="list-style-type: none"> Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		

Implications are:

- Potential for critical failure if assets are not renewed/replaced in time
- Impact on level of service currently provided by Council
- Lower levels of satisfaction from users in some areas, e.g. potential for lower quality of drinking water (i.e. colour, taste)
- Higher cost if renewing/replacing before the end of the asset’s useful life
- Funding required for future works
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake
- Public health/safety issues
- Quality of drinking water won’t meet current or future drinking water standards.

Ageing Asbestos Cement Pipes

There was a significant network of asbestos cement water pipes added to the networks in the 1970s, some of which is starting to require higher rates of repair. These pipes represent a high percentage of pipework and are projected to need replacing after their estimated 50 year lifespan. Options include:

- Proactively replace, or;
- Continue to repair on failure until maintenance costs exceed the cost of replacement, or reliability level of service targets are not met (preferred option).

In order to further refine projected renewal timeframes, a condition assessment program will be established during the early stages of the plan. At this stage, a budget of \$100,000 over the first three years has been included in the Long Term Plan. The cost of handling the asbestos pipes are covered within the financial forecasts and the pipes are left in-ground in many instances.

Natural and Technical Hazards

Increased drought periods due to climate change may increase urban demand. Other than climate change, the water supply network could be adversely affected by earthquake given that approximately 24% of Council water reticulation is made up of older Asbestos Cement pipework. A further 5% of the network contains rigid pipework. Major flood washouts and power supply failures could also adversely affect Council’s ability to provide an uninterrupted service to residents. Details of mitigation strategies are included in Council’s Asset Management Plans.

3.2 Expenditure Forecasts

The graph in Figure 3-2 on the following page presents the operating forecasts for the water supply activity. These are based on the following key assumptions that outline the **most likely scenario** for the District:

- Level of service expenditure in the first two years will complete the scheme connectivity and drinking water upgrades;
- Further regulatory changes are unknown and any associated investment has not been budgeted for (there are no signals from the government or industry to indicate otherwise);
- Demand (quantity) will remain relatively unchanged, or at least will not increase to an extent that capacity upgrades are required;
- Levels of service will remain unchanged, with the exception that as pipes are renewed they will be upgraded to meet Fire Fighting Standards where required and built with more modern, resilient materials;
- Provision for replacement of assets will be as forecast by the renewal model set out in the Asset Management Plan and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community;

- Further detailed assessments will be funded (**\$100,000**) and completed in the first three years of the Plan in order to gather more accurate data about the condition of the asset;
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at year 10 inflation factor.

Table D-1: Water Supply Pipe expected average service lives

Material	Expected Service Life (Base Life)
Asbestos Cement (AC)	50
Cast Iron (CI)	80
Conc Lined Ductile Iron	50
Conc Lined Steel	50
Copper	60
Galvanised Steel	80
High Density Polyethylene (HDPE)	80
Low Density Polyethylene (LDPE)	40
Medium Density Polyethylene (MDPE)	80
Polyvinyl chloride - Modified (PVC-M)	80
Polyvinyl chloride - Orientated (PVC-O)	80
Steel	80
Unknown	60
Polyvinyl chloride - Unplasticized (uPVC)	80

Any significant capital works upgrades required to extend the network to new customers or provide supply to major new users would be considered on a cost recovery basis. The only capital project planned was the creation of a Kaiata Water Supply, which was estimated to cost \$1.245 million, and would have attracted \$973,000 of subsidy from the Ministry of Health. However, the Kaiata community was consulted separately on whether they wished to proceed with a new water supply scheme and the majority of respondents were not in favour. Therefore this project is not proceeding at this time and is not included in this Plan. This would have improved the level of service to that community. However, there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan.

Other capital projects were considered, but added to the 'C – List', as outlined in the Long Term Plan.

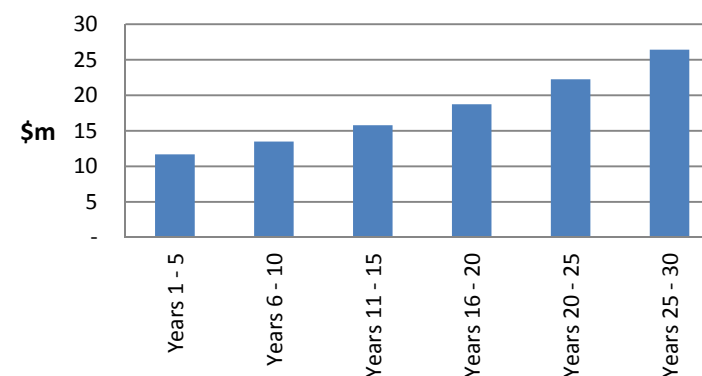
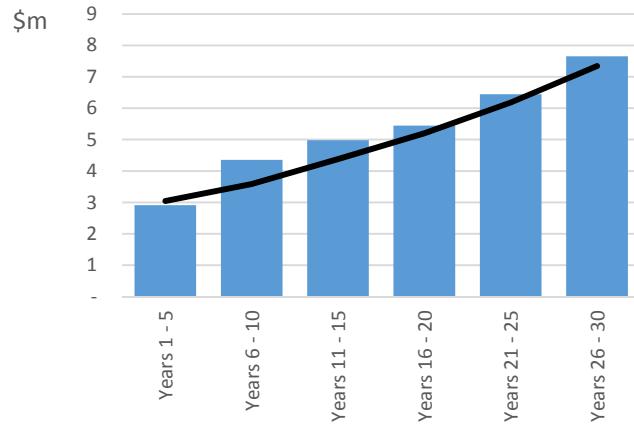
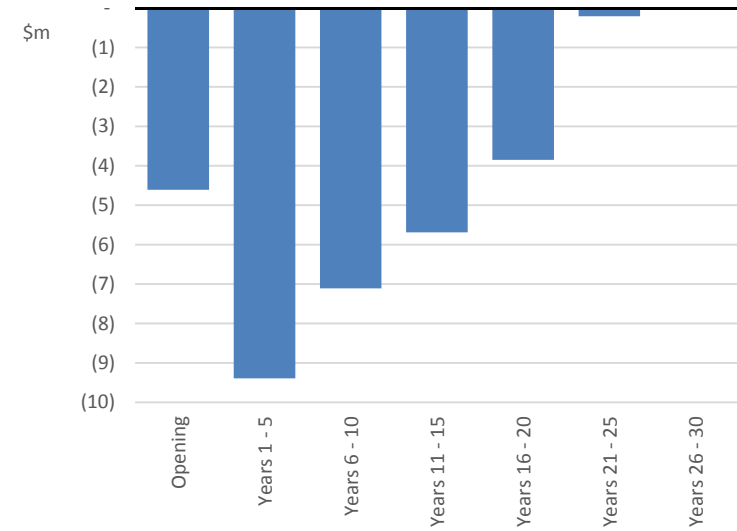
Figure D-2: Water Supply Operating Expenditure Forecasts


Figure D-3: Water Supply Cumulative Renewals and Depreciation Expenditure Forecasts



Council is planning to match cumulative renewals with depreciation with additional funding in the first 20 years to address the potential renewals backlog, as illustrated in the graphs in Figure 3-3 and Figure 3-4.

Figure D-4: Water Supply Renewals Backlog



4 Wastewater

4.1 Background

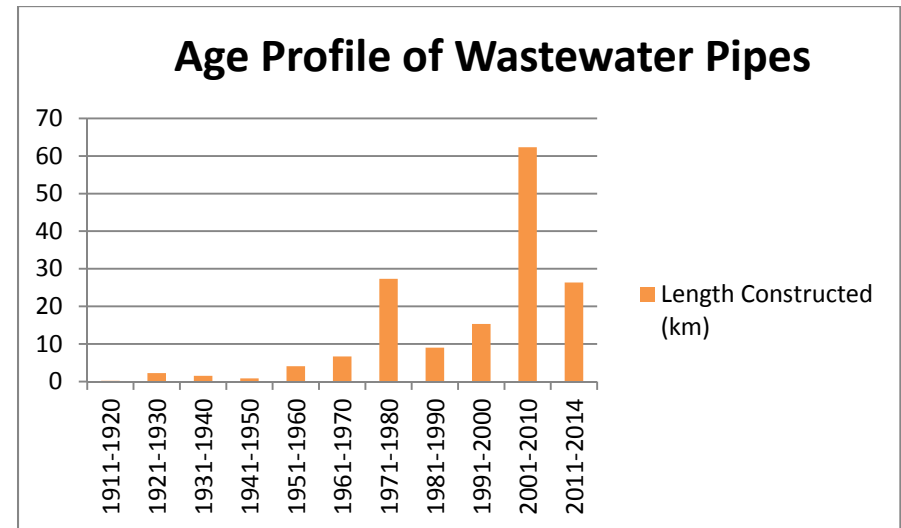
Many of the wastewater schemes were constructed in the last 45 years with around 90% of the pipe network built since 1970. Figure 4-1 indicates the construction periods and age profile of the wastewater pipe network.

Typical of most wastewater schemes, infiltration and inflow affects the networks to varying degrees.

Council has progressively upgraded treatment facilities throughout the district over the past decade. The Moana, Karoro/South Beach & Paroa facility capacities were upgrade around 10 years ago, the Blackball scheme reticulation and treatment facility (\$2 million) was constructed and more recently, Council has invested heavily with the installation of a new separated sewer reticulation and treatment facility for the Greymouth scheme (\$38 million). At the time of writing this strategy, Council was nearing the completion of the Taylorville, Dobson and Kaiata Scheme (\$7 million) which will utilise treatment capacity at the new Greymouth treatment plant. All treatment plants were designed and constructed to meet environmental requirements as set out within resource consents and respective standards. These standards are aimed at ensuring that effluent discharges do not negatively impact receiving water quality and the environment.

Discharge consents are in place for all treatment facilities. Some consents sit with the Consent Authority as part of the renewal process.

Figure D-2: Wastewater Pipe Network Age Profile



4.2 Issues and Options

In recent times Council has invested a large amount in the development and upgrade of sewerage schemes (Greymouth 2004–2015, Taylorville/Dobson/Kaiata 2013 – 2015). Council has received 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 generate an annual deficit as the depreciation expense reflects the full cost of the new assets.

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.**

The following table details the issues and options for this activity.

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Some parts of sewerage schemes are nearing the end of their useful life and need replacing. Council needs to ensure there is adequate funding for maintenance and renewals.	• Carry out condition assessments of existing pipework to assist in determining its expected life	✓		
	• Budget sufficient funds for timely replacement	✓	✓	✓
	• Replacement of parts of the Runanga sewer network is planned for within the term of this LTP and costs have been included in this Plan	✓		
The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.: <ul style="list-style-type: none"> Proposed requirement for new sewer infrastructure Where will the funding come from for these works? Funding for maintenance of new assets 	• Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015	✓		
Requests from the community for new schemes or from developers for schemes in specific locations.	• Council will remain receptive and support community initiatives when approached	✓	✓	✓
	• Council will continue to consult with developers to determine demand and capacity requirements	✓	✓	✓
Potential legislative changes that may lead to increasing levels of treatment before discharge to the environment.	• Council will consider any changes when proposed	✓	✓	✓
Damage to wastewater network components from natural hazards, e.g. earthquakes.	• Improve the resilience of schemes as budgets allow, e.g.:			
	○ Use flexible pipelines in replacements	✓	✓	✓
	○ Bolt down all equipment and pumps	✓	✓	✓
	○ Undertake longer term assessments on buildings and pump stations	✓		
Wastewater is an important Lifelines component in the event of an emergency.	• Council will continue to maintain its wastewater network to the best of its ability	✓	✓	✓

Implications are:

- If pipes, plant and equipment are not replaced in a timely manner, loss of service (outages), leakage of untreated discharges to properties and the environment could occur.

4.3 Expenditure Forecasts

Figure 4-3 on the following page presents the operating forecasts for the wastewater activity. These are based on the following key assumptions:

- Any increased environmental standards in relation to freshwater management are unknown and associated investment (such as to upgrade treatment standards) has not been budgeted. Consent renewals are due within the timespan of the 2015-25 Long Term Plan;
- Levels of service will remain unchanged;
- Provision for replacement of assets will be as forecast by the renewal model set out in the Asset Management Plan and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community;
- Further detailed assessments will be completed in the first three years of the Plan in order to gather more accurate data about the condition of the assets;
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at year 10 inflation factor.

Table 4-1: Wastewater Pipes expected average service lives

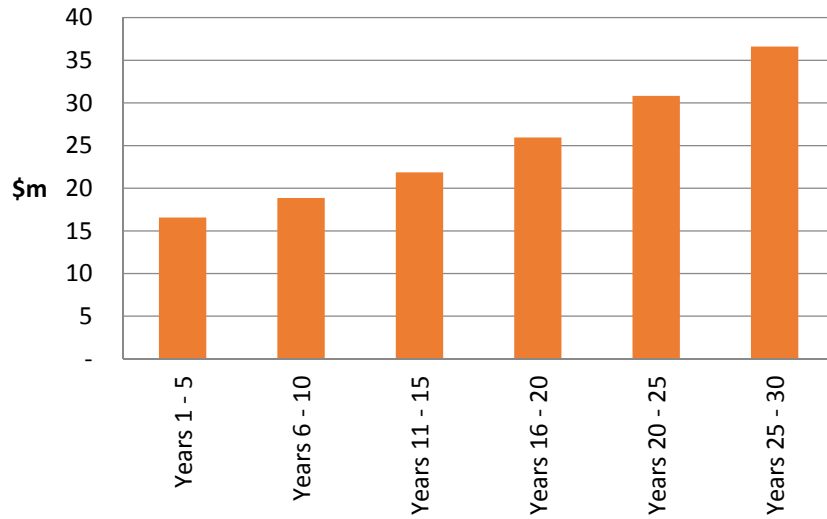
Material	Expected Service Life (Base Life)
Asbestos Cement (AC)	60
Concrete	80
Earthenware (EW)	80
High Density Polyethylene (HDPE)	80
Medium Density Polyethylene (MDPE)	80
Reinforced Concrete Rubber Jointed (RCRJ)	80
Steel	80
Unknown	60
Polyvinyl chloride - Unplasticized (uPVC)	80

Capital expenditure includes:

- Connection of the Cobden, Taylorville, Dobson and Kaiata communities to the Greymouth waste water collection and treatment scheme
- Completion of outstanding separation works for the Greymouth Scheme and encouraging individual properties to connect to the scheme in the areas of Greymouth, Blaketown, Cobden, Taylorville, Dobson and Kaiata

Council has set aside **\$141,000 in year 2** and **\$334,000 in year 5** to complete these projects and both projects will improve the level of service.

Figure D-2: Wastewater Operating Expenditure Forecasts



With reference to Figure 4-3, the gap between the depreciation graph and the graph of cumulative spend on renewals reflects the relatively young age of most of the network. Due to this, renewal expenditure is relatively low in the first 30 years, as illustrated in Figure 4-4.

Figure D-3: Wastewater Cumulative Renewals and Depreciation Expenditure Forecasts

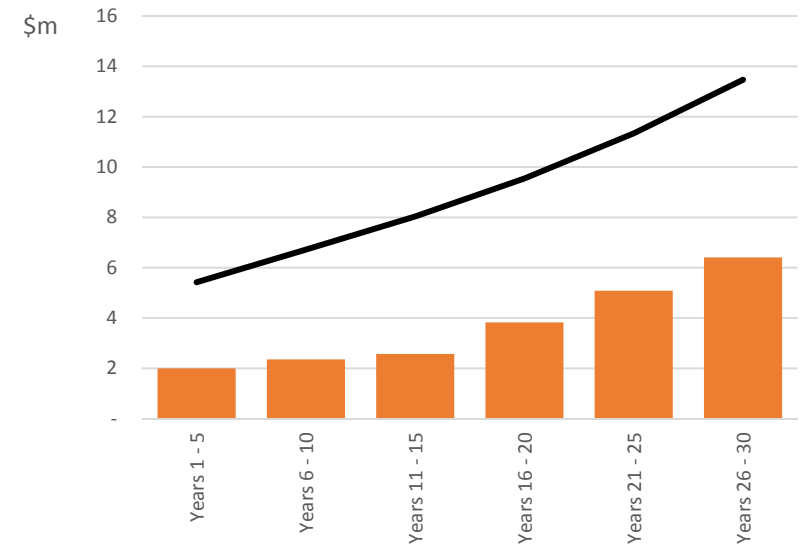
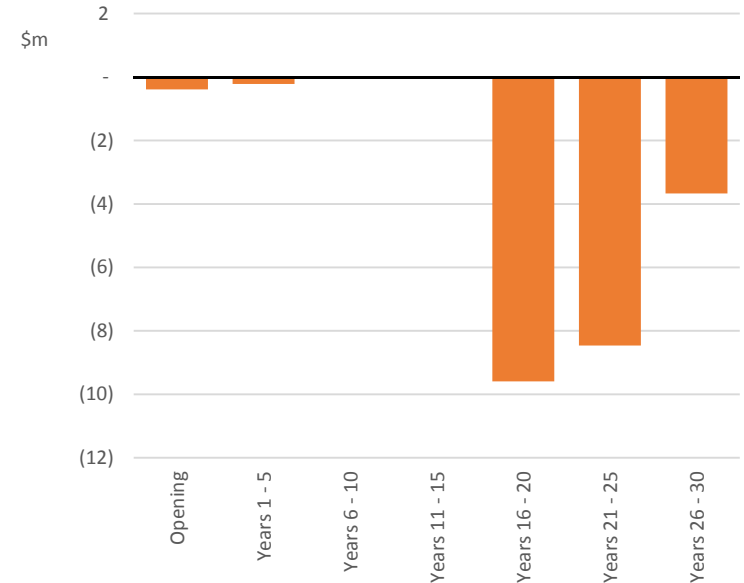


Figure D-4: Wastewater Renewals Backlog



5 Stormwater

5.1 Background

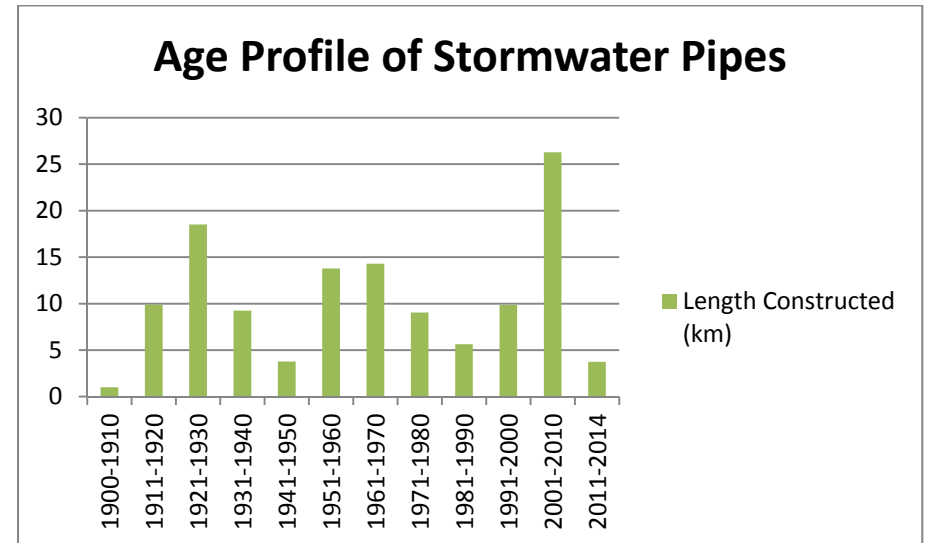
Council provides urban stormwater networks in all of the main towns. Most of these have been progressively built since the 1920's, as indicated in the age profile in Figure 5-1.

While it is thought that some older areas do not meet current stormwater design standards, there are a few areas where flooding caused by reticulation capacity is a known issue. Known issues include improvements to reduce flooding in the Petrie Avenue, Puketahi Street, Whall Street areas and the south-east Greymouth CBD.

There have been some pipe failures in recent years, such failures have occurred on older arch type structures and predominately older earthenware/concrete pipe. It is believed that such failures will continue to occur based on the age of the asset.

New developments are required, at a minimum, to be hydraulically neutral and not increase peak runoff flows during flood events.

Figure D-3: Stormwater Pipe Age Profile



Minimal capital expenditure is signalled in the Plan, **approximately \$7,000 per annum** related to new connections throughout the District, which will improve the level of service.

5.2 Issues and Options

The last Long Term Plan forecast the activity to run at an annual deficit and Council has identified this as one of its priorities for this Plan.

The following table details the issues and options for this activity.

As part of the community consultation we undertook on the Draft Plan, options for material issues and the implications with regards to our infrastructure were provided for community feedback. Council specifically consulted on the Stormwater issue highlighted in red below and proposed the following as a means of addressing the issue:

- Moderate **rate increase of 1.3% in year 1** then smaller annual rate increases from year 2 onwards;
- The cost of detailed assessments for **years 1-3** will be approximately **\$160,000** in total;
- In **years 11 – 20**, Council has applied **approximately 0.5% rate increase every year** above inflation directed towards funding 'backlog'; and
- In **years 21 – 30**, Council has also applied **approximately 0.3% rate increase every year** above inflation directed towards funding 'backlog'.

All of Council's preferred options were accepted by the community, adopted by Council and included in the Final Plan. You can also find more information on this in the Stormwater activity statement in PART E of this Plan.

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council needs accurate data about the condition of its stormwater infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council's Financial Strategy for more information).	• Carry out condition assessments and defer renewals if possible once condition assessments completed	✓		
	• Increase funding levels, i.e. from rates, transfer funds between activities, Club scheme	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓
The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.: <ul style="list-style-type: none"> • Proposed requirement for new stormwater infrastructure • Effects on existing stormwater infrastructure • Where will the funding come from for these works • Funding for maintenance of new assets 	• Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015	✓		
Natural hazards causing backup flooding to properties. Need to consider detention ponds, stormwater pumping systems, increased pipe capacity and additional stormwater networks.	• Funding through WCRC rating districts	✓	✓	✓
	• Possible part funding through Council	✓	✓	✓
	• Allow for capacity increases as pipelines are replaced	✓	✓	✓
	• Fund Stages 2 and 3 of Greymouth stormwater upgrades	✓	✓	✓
	• Runanga stormwater upgrade	✓		
Vulnerability of buried pipes in soft ground to natural	• Carry out condition assessments in years 1 to 3	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
hazards such earthquakes and liquefaction.	<ul style="list-style-type: none"> Carry out upgrade works in years 3 to 30 based on priorities established from assessments 	✓	✓	✓
Phase II of the Greymouth stormwater upgrade has been deferred indefinitely due to budget constraints. Phase II involves improvements to reduce flooding in the Petrie Avenue, Puketahi Street, Whall Street areas and the south-east Greymouth CBD. There is some continued risk of flooding by not doing these works. Phase I works carried out in 2011/2012 has reduced flood risk in adjacent areas, i.e. Murray Street area.	<ul style="list-style-type: none"> Wait for funding to become available (note: these works have not been included in this LTP but may be reconsidered for future LTP's) 	✓	✓	
Requirement for improved flood protection on Raleigh Creek, Runanga (in consultation with WCRC). Some works were carried out in 2014/2015 which has reduced risk.	<ul style="list-style-type: none"> Works will be carried out as budgets allow (note: these works have not been included in this LTP but may be reconsidered for future LTP's) 	✓	✓	
Requirement for improved flood protection in the lower Cobden area (in consultation with West Coast Regional Council (WCRC)). Some works have already been carried out by the WCRC, which have resulted in a lower flood risk for the lower Cobden area.	<ul style="list-style-type: none"> Works will be carried out as budgets allow 	✓		
Damage to stormwater pump stations from natural hazards, e.g. earthquakes.	<ul style="list-style-type: none"> Carry out resilience works as budgets allow 	✓	✓	✓
Stormwater is an important Lifelines component in the event of an emergency.	<ul style="list-style-type: none"> Council will continue to maintain its stormwater network to the best of its ability 	✓	✓	✓

Implications are:

- Potential for critical failure if assets are not renewed/replaced in time
- Impact on level of service currently provided by Council
- There may be safety, property damage and legal issues if levels of service change
- Lower levels of satisfaction from users in some areas
- Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake
- Higher cost if renewing/replacing before the end of the asset's useful life
- Funding required for future works
- Safety and property damage

Climate Change

Climate change is expected to increase the frequency and intensity of storms. In effect, this will lower the design capacity of the primary pipe network (what is currently a ten year return period event may become an 8 year return period, for example).

Council designs new / renewed stormwater infrastructure to expected future storm event return periods, however there is no plan to upgrade existing stormwater pipes other than as part of the renewal programme and this has been factored into the financial forecasts.

5.3 Expenditure Forecasts

The expenditure forecasts in Figure 5-2 are based on the following assumptions:

- The level of service will remain the same;
- Provision for replacement of assets will be as forecast by the renewal model set out in the Asset Management Plan and is aligned to the Financial Strategy which has been formulated to ensure that our services remain affordable to our community;
- Further detailed assessments will be funded (**\$160,000**) and completed in the first three years of the Plan in order to gather more accurate data about the condition of the asset;
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at year 10 inflation factor.

Table D-1: Stormwater Pipes expected average service lives

Material	Expected Service Life (Base Life)
Asbestos Cement (AC)	60
Aluflow	80
Arch	80
Brick	80
Concrete	80
Earthenware (EW)	80
Low Density Polyethylene (LDPE)	80
Novaflow	60
open Channel Unlined	50
Reinforced Concrete Rubber Jointed (RCRJ)	80
Steel	80
Stone	80
Unknown	50
Polyvinyl chloride - Unplasticized (uPVC)	80

Figure D-2: Stormwater Operating Expenditure Forecasts

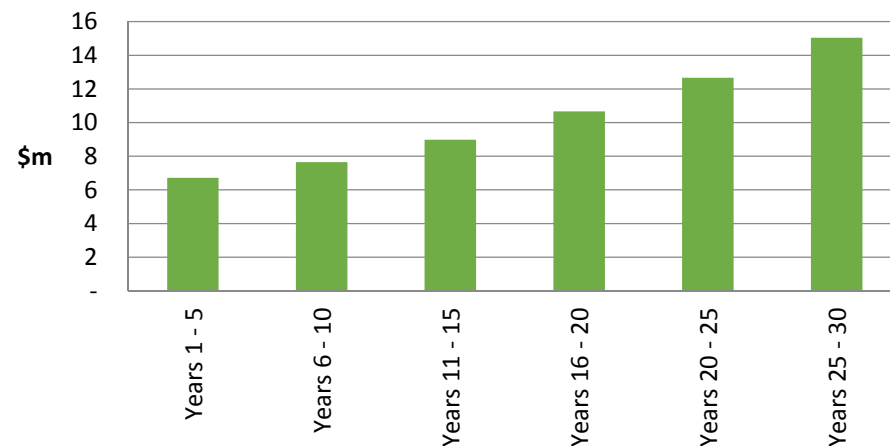
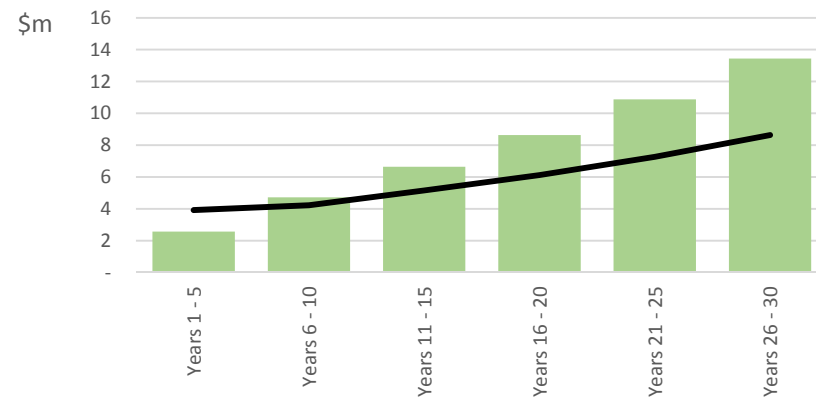
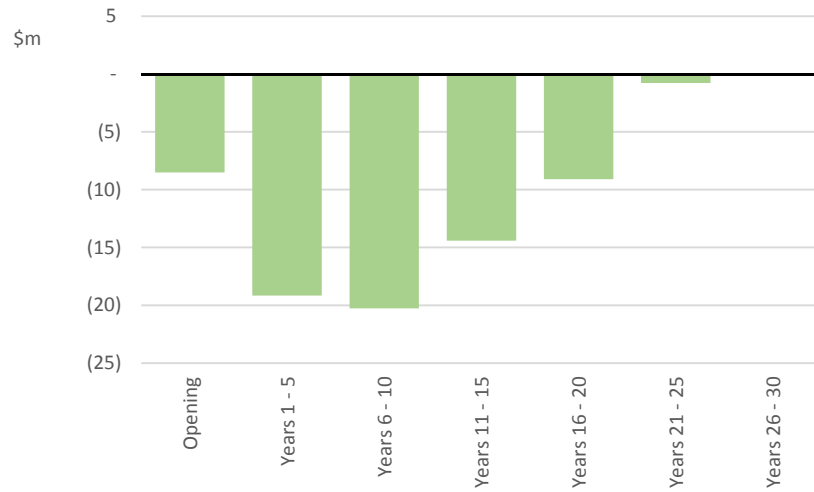


Figure D-3: Stormwater Cumulative Renewals and Depreciation Expenditure Forecasts



The graph below demonstrates the current renewals backlog of the activity and how this will reduce over the first twenty years of the Plan. Council will continue to annually fund at a greater amount than the annual depreciation expense to allow it to address any renewals backlog that has been created whilst the activity has been under funded. For more detail for the first ten years of the Plan, please refer to our Financial Strategy.

Figure D-4: Stormwater Renewals Backlog



6 Land Transport

6.1 Background

Grey District Council’s road network of 610 kilometres, 61% sealed, is generally in fair condition relative to the national average, though the bridges in the network are ageing. There are 6 single lane structures carrying between 500 to 2000 vehicles per day that could be considered for upgrading to 2 lane structures, if the replacements are also economic. Based on the most recent maintenance inspections there are 8 structures in poor condition. Based on the recommended useful life of structures, 39 (18%) of structures are beyond their economic life, however based on maintenance inspections most of these structures are in at least a fair condition.

Funding is currently being sought to review seismic capacity of bridges over the next 3 years. The results of this study will form the basis for renewals/upgrades of bridges from year 4 onwards subject to availability of funding.

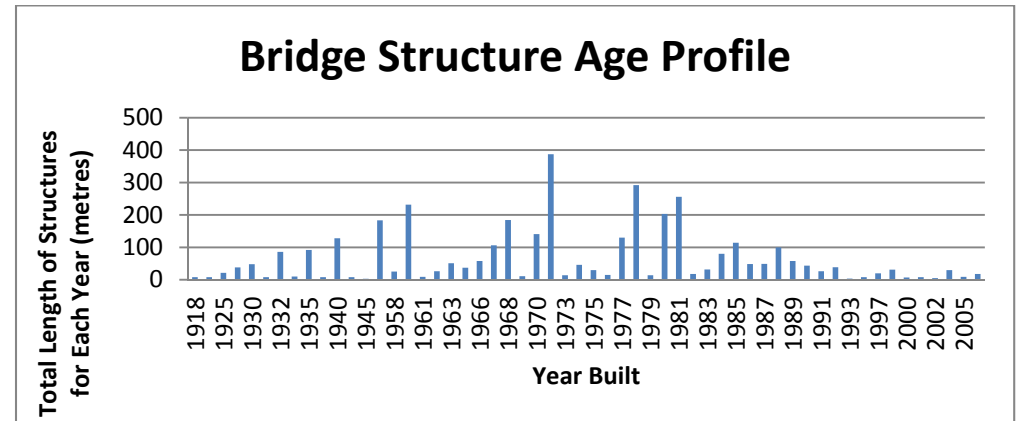
Council’s footpath network of 102 kilometres serving mainly urban areas has adequate capacity and is generally in fair condition where it is provided. Not all urban streets have a footpath down both sides. An ongoing programme to renew and extend the network is subject to annual approval of Council.

Over the next ten years there is unlikely to be a significant increase in demand based on the overall population growth projections for the Grey District. However, based on a review of the Census information, including normally resident population and dwellings, rural residential development has occurred and is likely to continue to occur in the following Census areas: South Beach-Cameras, Barrytown, Marsden-Hohonu, Arnold Valley and Nelson Creek-Ngahere. This type of demand and the effects on the roading activity will be monitored and are mostly to be managed through subdivision consent requirements.

The age profile of the 212 bridges in Council’s inventory is shown in Figure 6-1 below.

It is also noted that a significant number of structures will be due for replacement in around Year 10 (32%). Council will need to consider carefully how to schedule these replacements to avoid significant financial impacts. This can be achieved by staggering replacements and loan funding and will be factored into the financial forecasts once the results of the seismic review is complete and can inform our planning.

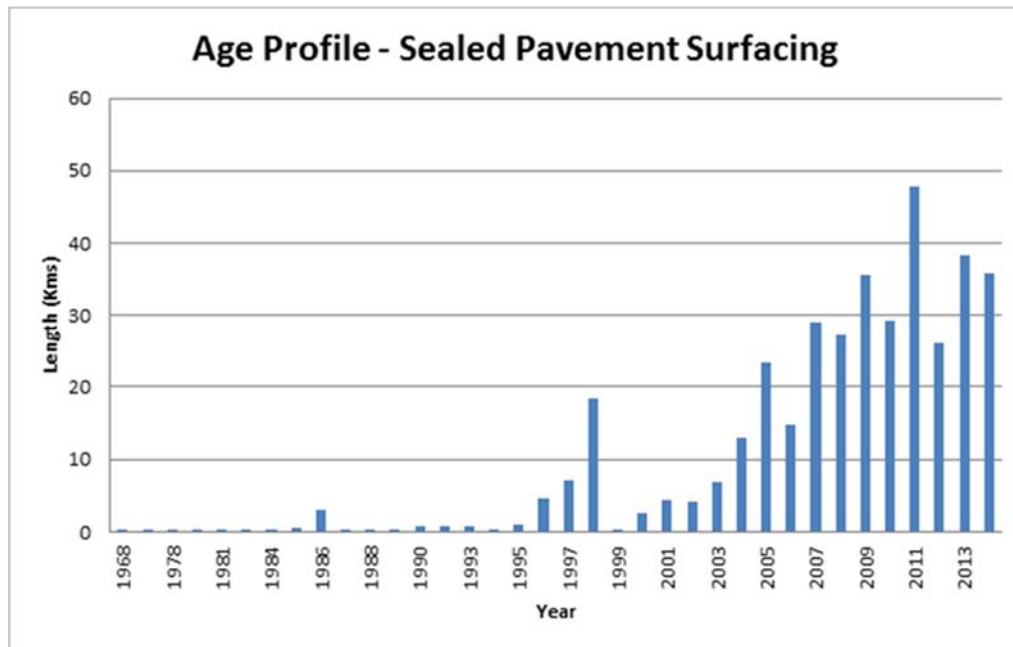
Figure D-4: Age Profile of Bridges



Currently the renewal programmes for pavements (surfaces and pavement structure) are based on a range of inputs such as condition surveys, age, and treatment selection analysis and confirmed by inspection.

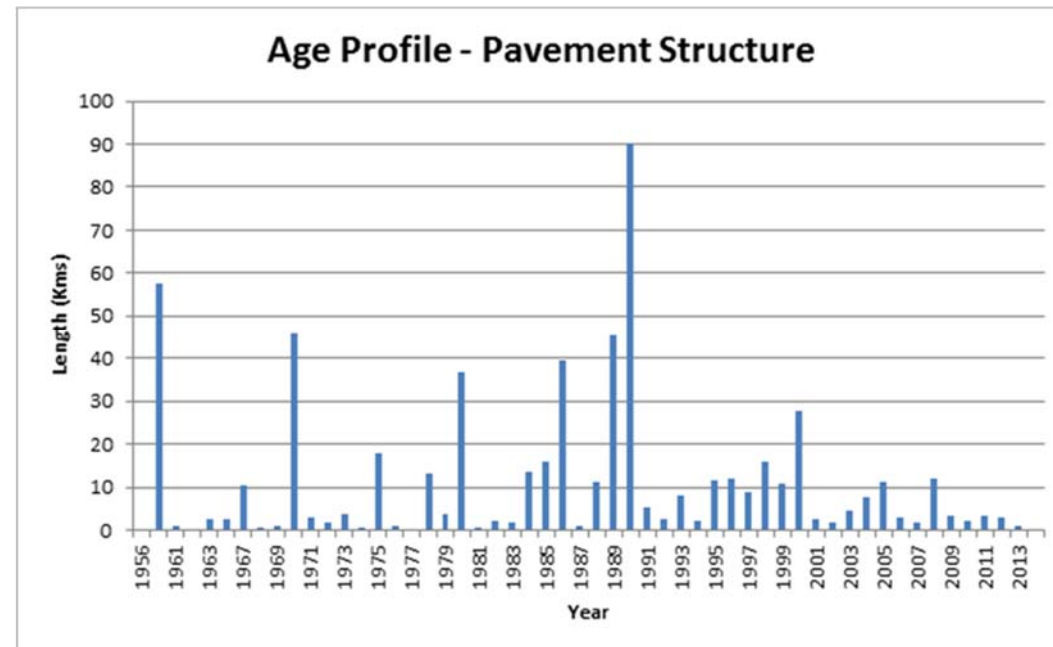
The age profile of sealed pavement surfaces as shown in Figure 6-2 shows that most pavements are less than 10 years old which indicates that Council is maintaining a regular resurfacing programme. This is consistent with current industry practice which is renewing around 10% of the surface asset component annually. As discussed elsewhere in this strategy options for the future include where possible extending seal age to manage funding reductions. More information on surface condition and renewal options is provided in the AMP.

Figure D-5: Age profile - sealed pavement surfaces



Age profile for pavement structures as shown in Figure 6-3 indicates significant construction activities took place up until the early 1990's. This indicates development phases of this asset component, whereas from around the 1990's work has been more focused on renewing (pavement rehabilitation) of the asset with less capital improvements and extensions of the network. The latter driven at the time by primarily the coal industry and to a lesser extent subdivision development. Sufficient levels of continued pavement rehabilitation will need to continue to maintain pavement integrity from age deterioration and traffic use effects into the future. As discussed elsewhere in this strategy options for the future include where possible extending pavement age to manage funding reductions. More information on pavement condition and renewal options is provided in the AMP.

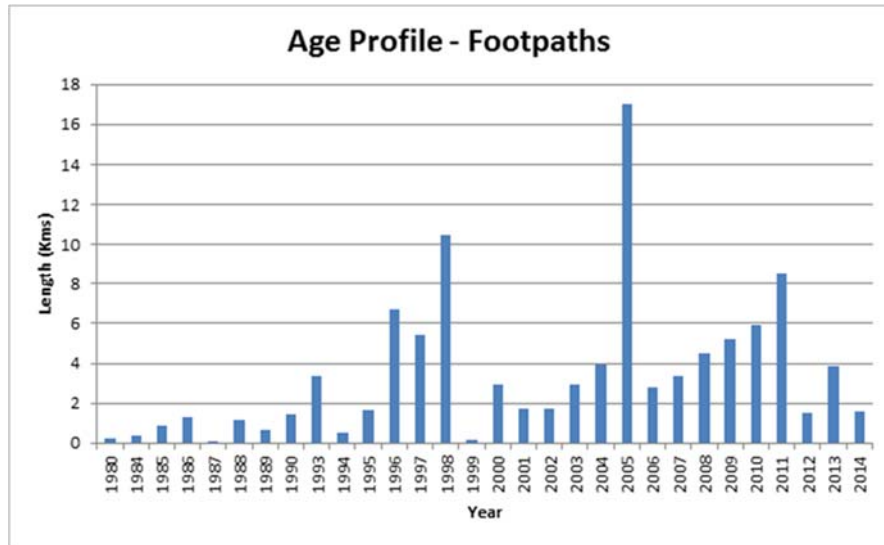
Figure D-6: Age profile pavement structure



The following graph (Figure 6-4) shows the current age profile for footpath surfaces. The age of the asset reflects the condition of the asset.

The average weighted age of footpaths is 12 years and assuming an on average expected 25 year service life, footpaths are about halfway through their useful life. Approximately 4% of footpaths based on inventory are older than their useful life; however it is thought that the inventory is incomplete and that there are footpaths in urban areas older than 34 years.

Figure D-7: Age profile footpaths



6.2 Issues and Options

The financial assistance Council receives from NZTA will decrease over years one to six of this plan, decreasing one percent per year from 62% to 57%. Based on the current maintenance and renewal programme, this equates to a loss in revenue of approximately \$120,000 per year.

The following table details the issues and options for this activity.

As part of the community consultation we undertook on the Draft Plan, options for material issues and the implications with regards to our infrastructure were provided for community feedback. Council specifically consulted on the Land Transport issue highlighted in red below and proposed the following as a means of addressing the issue:

- No short term increase in costs as efficiencies will be found within the current roading programme to match decreased available budget;
- There will be increased long term costs through deferred renewals;
- Some renewals, such as bridges, cannot be deferred and must be replaced; and
- In the long term, Council is signalling a **1% rates increase from year 5**.

All of Council's preferred options were accepted by the community, adopted by Council and included in the Final Plan. You can also find more information on this in the Land Transport activity statement in PART E of this Plan.

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Funding: Financial Assistance Rates (FAR) from the NZTA are reducing from the current rate of 62% (year 1) for maintenance and renewals to 57% (year 10).	• Stop providing services in some areas	✓	✓	✓
	• Deferring renewals	✓	✓	✓
	• Increase funding levels, i.e. from rates	✓	✓	✓
	• Increase user pays (regional fuel tax)	✓	✓	✓
	• Improve efficiencies	✓	✓	✓
	• More cost effective materials & operations	✓	✓	✓
	• Further FAR reductions are not signalled in the plan, however may eventuate as NZTA review their rates five yearly	✓	✓	✓
The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.: <ul style="list-style-type: none"> Proposed upgrades/new works included in the Master Plan Where will the funding come from for these works Funding for maintenance and future renewals of new assets 	<ul style="list-style-type: none"> No funds for roading works as an outcome of the CBD Renewal Project have currently been allocated Awaiting outcome of the Masterplan 	✓		
Resilience of key roading assets, especially bridges, needs to be improved to mitigate potential damage from natural hazards, e.g. earthquakes.	• Carryout assessments in years 1 to 3	✓		
	• Carryout upgrade works years 4 to 30 based on priorities established from assessments	✓	✓	✓
Roading is an important Lifelines component in the event of an emergency.	• Council will continue to maintain its roading network to the best of its ability	✓	✓	✓

Implications are:

- Less NZTA funding available for maintenance, replacement and renewal of roading services
- Impact on level of service currently provided by Council
- There may be safety issues if levels of service change
- Lower levels of satisfaction from users in some areas
- Funding uncertainty (boundary bridges are co-funded between neighbouring councils)
- Reduced service or loss of service
- Age, especially of bridges, is a related issue that is proposed to be addressed

NZTA Financial Assistance

The new One Road Network Classification adopted by NZTA may see changes to levels of service and NZTA funding for low volume roads. Options include:

- Find efficiencies in existing roading programme through our tendering and contracting practices and increase rates from year 5 by 1% per annum;
- Increase rate funding now to continue to provide the existing level of service, which would equate to an additional \$120,000 in rates or a 0.8% increase from Year 1.

The first option is considered the **most likely scenario**. This option involves reducing our costs by 1% per annum and prioritising works to fit within the reduced available budget. If this option was chosen, the situation would be

reviewed on an annual basis and any change would be signalled in the Annual Plan. There is a possibility that the level of service would change upon the annual review but this is not included in the Plan. We are confident that for the first four years of this Plan we can reduce costs within the roading programme to continue to provide the existing levels of service within the current budget.

Climate Change

The expected increase in intensity of storms may see a higher level of flooding and droughts with associated road damage. Droughts may accelerate cracking and differential settlement. Sea level rise may impact coastal roads. Ongoing monitoring will occur, but at this stage no specific options have been scoped.

Road Safety

The number of fatal and injury crashes needs to reduce to achieve NZTA targets for road safety. Council is working with a Road Safety Group of key stakeholders to deliver a Road Safety Action Plan. Most initiatives relate to driver behaviour rather than road safety upgrades, though these do occur as part of the Minor Improvements programme.

Bridge Renewals

Most of the bridges on the network were constructed between 1930's and 1990's as shown in Figure 6.1. A substantial part of the bridge inventory will be coming to the end of its expected life within this 30 year period. Bridge replacements are initially programmed on the basis of their expected lives. These are then modified by the structural inspections, routine inspections and post major storm inspections to develop a programme for renewals, maintenance and component replacements.

Resilience

Land Transport is the only activity that has an annual budget set aside for natural disasters; approximately **\$644,000 per annum** is included in the financial forecasts.

Council has various resilience factors and financial resources in place to call upon if an event were to occur, including:

- LAPP;
- FA – NZTA (1:20);
- Disaster Recovery Fund; and
- Above ground insurance.

6.3 Expenditure Forecasts

Figure 6-5 presents the expenditure forecast for roads and footpaths. These are based on the following assumptions:

- No seal extensions will occur (other than those created and funded through subdivision developments, if any).
- Expected service lives of the various types of roading asset are shown in Table 6-1. Renewal forecasts are based on the expected service lives. Data accumulated over time will allow revision of the service lives, with a view to extending them as far as possible while still maintaining levels of service.
- Maintenance and renewal costs (before inflation adjustments) are scheduled to reduce for some parts of the roads activity as outlined in the LTP through cost efficiencies such as optimising pavement life, reduced levels of service for low volume roads and replacing aging bridges.
- Pavement rehabilitation of around 2 to 4 kilometres per year, mainly arterial and collector roads, with patching and resurfacing of local and low volume roads.
- Pavement resurfacing of around 37 kilometres per year with this figure likely to be reduced to maximise seal life without detracting from the riding quality delivered by the network.
- Other than those that have recently occurred and are reflected in this strategy and the related AMP, there will be no significant additional changes to legislation or government policy.
- There will be no additional unforeseen events such as natural hazards other than what Council currently budgets for being primarily storm/flood events which regularly effect road infrastructure.
- The financial forecasts for the first ten year of this Strategy are adjusted for projected inflation based on the BERL indices with the exception of Year 1, as per the assumptions outlined in our Long Term Plan. In Year 1, we have used indices based on our knowledge of the market and our local expertise. Forecasts for years 11 to 30 have been inflated at year 10 inflation factor.

Table D-1: Expected Service Lives of major road assets

Asset	Asset Life
Formation	unlimited
Pavement Structure (Sealed/Unsealed)	25 to 50

Sealed Pavement Surfacing	8 to 15
Unsealed Pavement Surfacing	1 to 3
Drainage-Culverts	50 to 100
Traffic Facilities	5 to 15
Streetlights	15 to 25

Minimal capital expenditure is signalled in the Plan, **approximately \$15,000 per annum** related to upgrades to vehicle crossings throughout the District to improve the level of service.

Figure D-5: Land Transport Operating Expenditure Forecasts

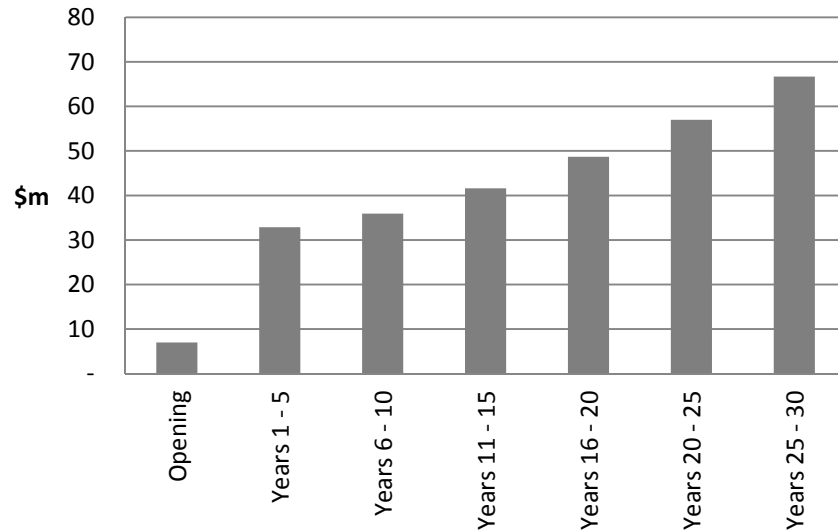


Figure D-6: Land Transport Cumulative Renewals and Depreciation Expenditure Forecasts

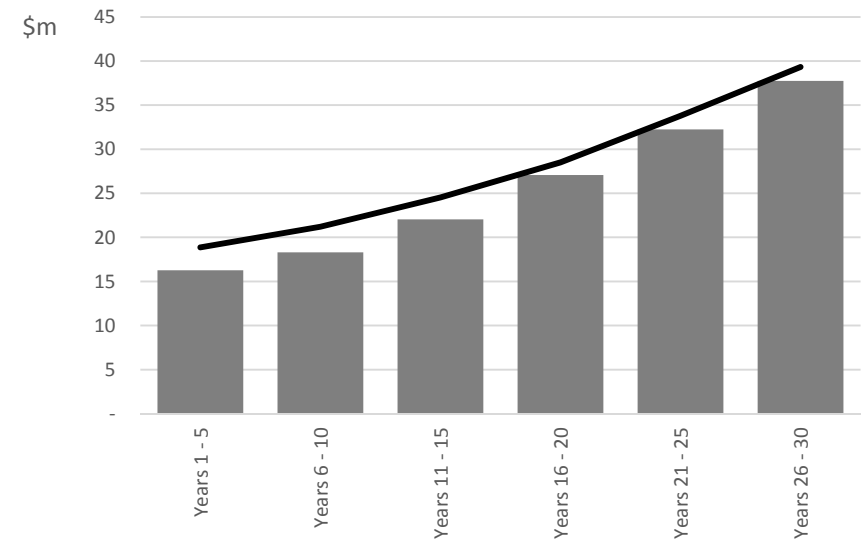
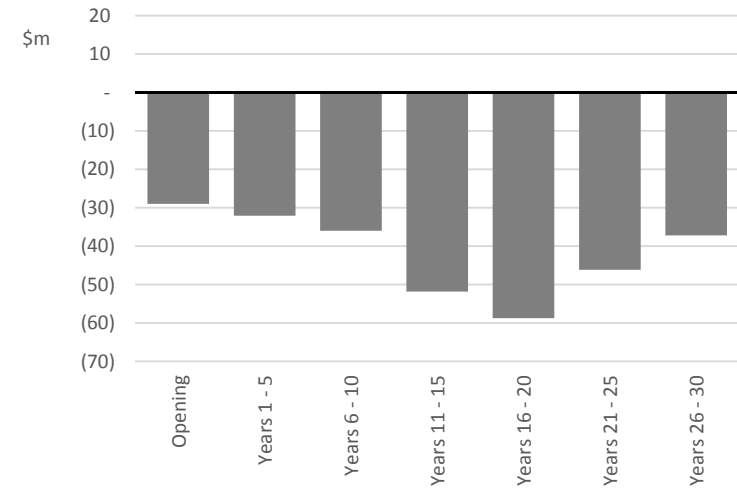


Figure D-7: Land Transport Renewals Backlog



7 Financial Summary

7.1 Summary of Key Assumptions

Levels of Service

The **most likely scenario** for the District is outlined as follows:

- Levels of service will remain largely unchanged, apart from incremental upgrades as part of the renewals programme as assets are upgraded to modern standards (e.g.: replacing pipes with more resilient materials, widening road pavements to meet modern width standards as part of major pavement rehabilitation).
- The exception is the road network where changes in levels of service are expected as the One Network Road Classification programme is implemented.

Demand

The **most likely scenario** for the District is outlined as follows:

- Demand for infrastructure services will remain relatively unchanged.
- Capacity upgrades may be required to accommodate new industry, but this has not been budgeted for.

Lifecycles

Lifecycles for major assets are summarised in the activity section, and detailed for all assets in the AMPs. The approach to developing our activity management plans is life cycle asset management which means:

Considering all management options and strategies as part of the asset lifecycle from planning, creation then disposal. The objective is to look at the lowest long term costs (rather than short-term savings) when making asset management decisions.¹



Useful life

The Council has made a number of assumptions about the useful lives of its assets by assessing condition using the age, material and local knowledge. 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. Renewals and maintenance have currently been determined by assessing condition using the age, material and local knowledge. This may change once we have more accurate information following the completion of detailed condition assessments.

¹ International Infrastructure Management Manual – Version 3.0 2006 p 1.10

7.2 Implications of Uncertainty

Council has levels of uncertainty in relation to assumptions in the following areas:

1. Future regulatory changes such as changes to Drinking Water Standards or Regional Environmental Policies and Standards. Without any signals to the contrary, no change has been budgeted for. Typically there is a long lead time for significant proposed change as well as industry consultation, and the Council would respond and plan as required. Further changes to drinking water standards have been assessed as “low” with further changes to resource management standards assessed as “medium”.
2. The level of reliability of the asset information underlying the renewal forecasts varies by activity and by asset class, creating a medium to high level of uncertainty in the renewal forecasts. Data reliability will improve as more information is gathered through ongoing asset condition and performance monitoring programmes detailed in the AMPs. In the three waters area, the renewal models provide ranges of likely expenditure. The results of the condition assessments may have an impact on our financial forecasts. If the renewals backlog is greater than expected, Council will need to look at funding the works sooner rather than later.

Accuracy of the valuation takes into account the data confidence levels for asset quantities, unit costs and lives. Using the International Management Manual (IMM) grading system the assessed grades for the Council assets are as follows:

Component	Quantity	Unit Cost	ORC	Life	ODRC
Water Supply	B	B	B	B - C	B - C
Wastewater	B	B	B	B - C	B - C
Stormwater	B	B	B	B - C	B - C
Roading	A - B	B	A - B	B - C	B

Source: Review of Infrastructure Valuation 2014 – Land Transport, Aerodrome & Utilities Assets – September 2014 by Opus International Consultants Ltd.

The grading system as below:

Grade	Description	Accuracy
A	Accurate	100%
B	Minor inaccuracies	plus/minus 5%
C	50% estimated	plus/minus 20%
D	Significant data estimated	plus/minus 30%
E	All data estimated	plus/minus 40%

Source: International Infrastructure Management Manual

Summary

The 30 year Strategy for the District’s infrastructure is to continue current levels of service to a gradually decreasing population over the time span covered by the Strategy.

This is to be achieved by timely and cost effective maintenance and replacement of assets, guided by realistic forecasting as to when these needs can be expected to arise.

A renewal model has been developed which will be refined on an ongoing basis over the life of the plan. This will allow ongoing improvement to the accuracy of replacement forecasting.

Further detailed assessments of asset condition will help Council to address the potential renewals backlog, if any. In this Strategy, Council will work off the data it has and plan to cap the potential renewals backlog and reduce over the next 30 years.

This is in-line with our Financial Strategy which focuses on:

- Council working towards a position of annual surplus by 2025;
- Keeping debt levels within our policy limits and maintaining the capacity to borrow for unforeseen events, eg a natural disaster;
- Debt decreasing from year 3 of the Plan; and
- Recognising that whilst rates need to increase, we want to keep the increase to less than 4.5% per year.

7.3 Financial Forecasts

The following graphs show the **most likely scenario** for total operating expenditure, total renewals versus depreciation expenditure and the total renewals for Water Supply, Wastewater, Stormwater and Land Transport.

Please note that capital expenditure is not shown as very little, if any, is planned. We have listed some of the capital projects we're planning to undertake elsewhere in the Strategy. Other capital projects were considered but not included in our Plan to help keep rates rises from getting too big. These projects are categorised as a 'C' priority, which mean they:

- Increase levels of service above current levels provided at an additional cost; and/or
- Have no immediate/long term effect on the current levels of service or financial sustainability of Council if projects do not proceed; and/or
- Involve activities/services that aren't a part of Council's core services.

The 'C – List' can be viewed on our website, www.greycdc.govt.nz/ltp.

Figure 1-2: Total Operating Expenditure Forecasts

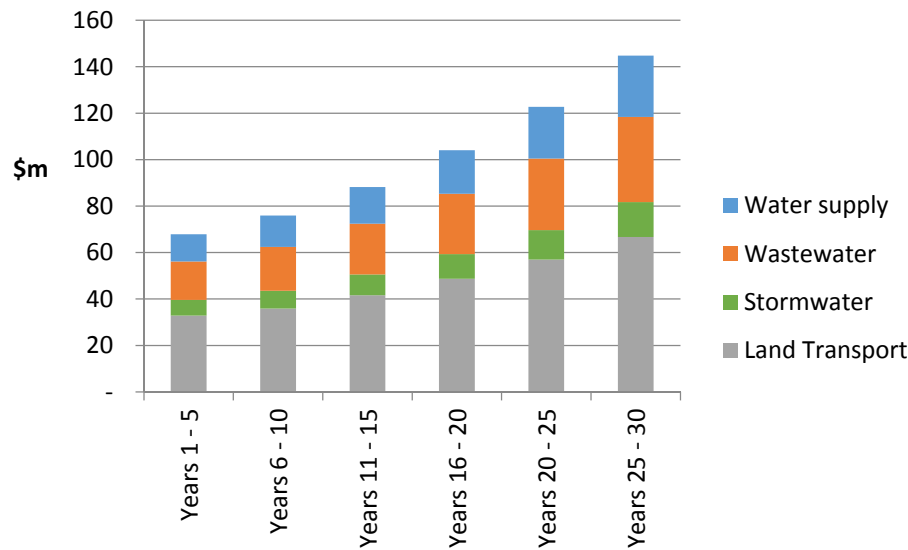


Figure 1-3: Total Cumulative Renewals and Depreciation Expenditure Forecasts

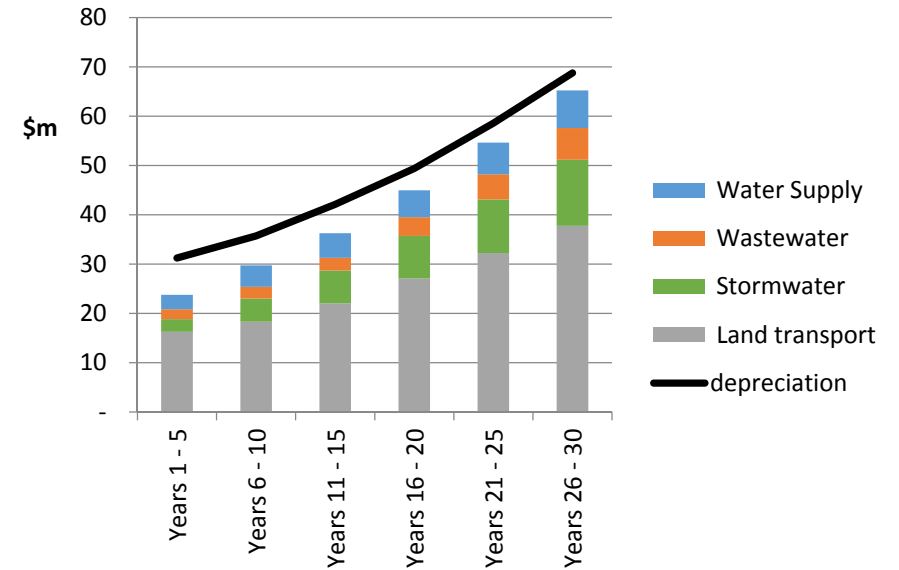
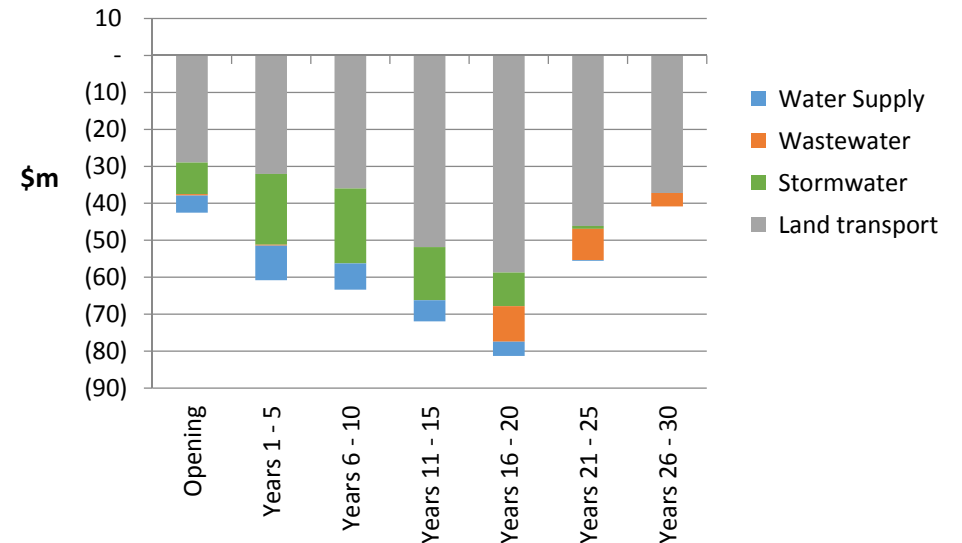


Figure 1-4: Total Renewals Backlog



7.4 Funding Implications

The **most likely scenario** impact on rates and charges arising from these expenditure forecasts is detailed in Council’s Financial Strategy. This formed the basis of our consultation with the community. All of Council’s preferred options were accepted by the community, adopted by Council and included in the final Long Term Plan. In summary:

Water Supply

- Rate increase of 0.1% in year 1 and then annual rate increases from year 2
- The cost of detailed assessments for years 1-3 will be approximately \$100,000 in total
- In years 11 – 20, Council has applied approximately 0.5% rate increase every year above inflation directed towards funding ‘backlog’
- In years 21 – 30, Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding ‘backlog’.

Wastewater

- 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

Stormwater

- Moderate rate increase of 1.3% in year 1 then smaller annual rate increases from year 2 onwards
- The cost of detailed assessments for years 1-3 will be approximately \$160,000 in total
- In years 11 – 20, Council has applied approximately 0.5% rate increase every year above inflation directed towards funding ‘backlog’
- In years 21 – 30, Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding ‘backlog’.

Land Transport

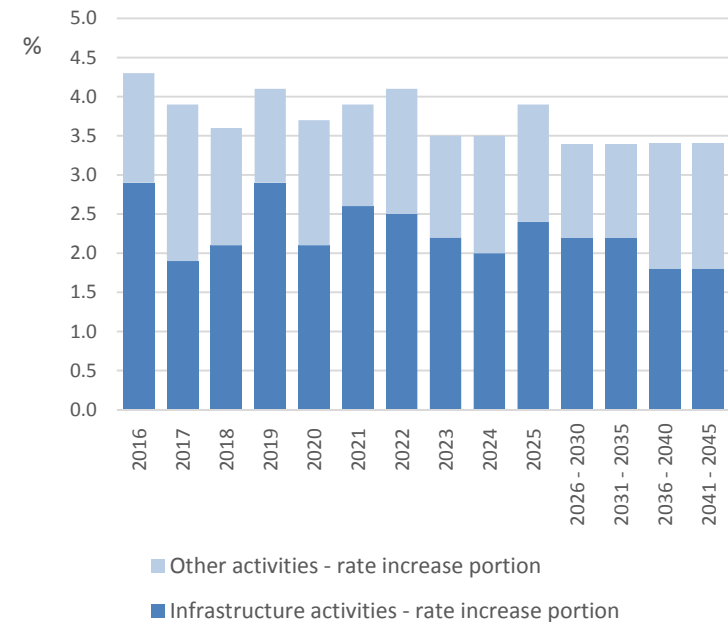
- No short term (Years 1-3) increase in costs as efficiencies will be found within the current roading programme to match decreased available budget
- There will be increased long term costs through deferred renewals
- In the long term, Council is signalling a 1% rates increase from year 5

Summary Infrastructure – Rates

The graph below shows how the rates described above contribute to the overall rates increase over the next 30 years. In years 1 to 10, the percentages include CPI, as per our assumptions in the Plan. In years 11 to 20, CPI is estimated at 3.4%.

Note that in Years 11 – 30, the annual rates increase is per annum.

Figure 1-5: Infrastructure rates as a percentage of total rates



PART E: What Council Does: Groups of Activities

1 Land transport

1.1 Activities included in this group

Land Transport includes the following key functions:

- Council roads (State Highways excluded as they are the responsibility of the New Zealand Transport Agency (NZTA))
- Footpaths
- Bridges and large culverts
- Bus shelters
- Promotion of road safety

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

The management and maintenance of the Greymouth to Taramakau Bridge section of the West Coast Wilderness Trail (previously known as the Coastal Pathway) is included in this activity.

1.2 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.

1.3 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"> • By providing quality access. • Quality and ease of road access to commercial area(s). • Convenience and quality of footpaths. • Information value of road signage.

OUTCOME	CONTRIBUTION
Providing affordable, quality essential services	Roading, as an essential service, has an important service delivery function.

1.4 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	156
Rural	km	454
Total	km	610
Footpaths	km	102
Bridges and Large Culverts	number	212
Street Lights	number	1599
Bus Shelters	number	43
Separated Walking and Cycling Pathways	km	19

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.
- Participation as a member of the Regional Road Safety Committee.
- Participation as a member of the Regional Technical Advisor Group for the Regional Land Transport Committee.
- Participation as a member of the Regional Land Transport Committee.

1.5 Key issues and options facing the activities

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Funding: Financial Assistance Rates (FAR) from the NZTA are reducing from the current rate of 62% (year 1) for maintenance and renewals to 57% (year 10). Implications of this change are:</p> <ul style="list-style-type: none"> Less NZTA funding available for maintenance, replacement and renewal of roading services Impact on level of service currently provided by Council There may be safety issues if levels of service change Lower levels of satisfaction from users in some areas 	<ul style="list-style-type: none"> Stop providing services in some areas Deferring renewals Increase funding levels, i.e. from rates Increase user pays (regional fuel tax) Improve efficiencies More cost effective materials & operations Please also refer to the next section, 'outcome of community consultation' 	✓		
	<ul style="list-style-type: none"> Further FAR reductions are not signalled in the Plan, however may eventuate as NZTA review their rates five yearly 			✓
<p>The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.:</p> <ul style="list-style-type: none"> Proposed upgrades/new works included in the Master Plan Where will the funding come from for these works Funding for maintenance and future renewals of new assets 	<ul style="list-style-type: none"> Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		
<p>Resilience of key roading assets, especially bridges, needs to be improved to mitigate potential damage from natural hazards, e.g. earthquakes. Implications are:</p> <ul style="list-style-type: none"> Where does the funding come from (boundary bridges are co-funded between neighbouring councils)? Reduced service or loss of service Age, especially of bridges, is a related issue that is proposed to be addressed 	<ul style="list-style-type: none"> Carryout assessments in years 1 to 3 Carryout upgrade works years 4 to 30 based on priorities established from assessments 	✓	✓	✓
<p>Roading is an important Lifelines component in the event of an emergency.</p>	<ul style="list-style-type: none"> Council will continue to maintain its roading network to the best of its ability 	✓	✓	✓
<p>Road safety.</p>	<ul style="list-style-type: none"> Council will continue to maintain its roading service to the best of its ability to ensure road factors are not a significant contributor to crashes 	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

Outcome of community consultation

As part of the community consultation we undertook on the Draft Plan, the following information on options for material issues and the implications was provided for community feedback. The option chosen by the community, adopted by Council and included in the Final Plan is in red.

ISSUE	OPTION	IMPLICATIONS	COST
Reduced FAR funding from NZTA.	1 Increase rate funding now to continue to provide the existing level of service	<ul style="list-style-type: none"> No change to existing roading programme Existing levels of service are maintained Small rates increases from year 1 	Rates increases would start from year 1 – rates revenue will need to increase by approximately \$120,000 per annum (equivalent to a 0.8% increase of total rates) to maintain the existing roading programme
Reduced FAR funding from NZTA.	2 Reduce Council's roading programme to fit within available funding by: <ul style="list-style-type: none"> Potentially divesting from non-essential roads; Reducing costs worth 1% per annum within existing programme for years 1-4 (e.g. by looking for efficiencies in our tendering and contracting processes); Carrying out a works assessment, prioritise works and discontinue low-priority services/works; and Increase rate funding from year 5 Existing levels of service are maintained, however there may be adjustments to the roading programme due to efficiencies made <p><i>(Council's preferred option)</i></p>	<ul style="list-style-type: none"> Potential adjustments to roading programme as Council finds efficiencies Existing levels of service are maintained Rate rises from year 5 	<ul style="list-style-type: none"> No short term increase in costs as efficiencies will be found within the current roading programme to match decreased available budget There will be increased long term costs through deferred renewals In the long term, Council is signalling a rates increase of 1% of total rates from year 5

1.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	68%	66%	66%	66%	No change
	% of residents are satisfied with the way local roads are maintained	52%	58%	58%	58%	↑
	% of residents are satisfied with the way footpaths are maintained	48%	52%	52%	52%	No change
	Maximum number of reported local road closures due to surface flooding per year	Nil	30	30	30	No change
	% of customer requests responded to within 10 working days	New measure	85%	85%	85%	No change
The condition of our roads and footpaths	% of roads which meet smooth roads standard	New measure (95%)	90%	85%	80%	↓
	% of sealed road network resurfaced per year	New measure (7.6%)	9.4%	9.4%	8.1%	↓
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in GDC Land Transport AMP <i>* New service standard under development - may need to be adjusted after year 1 to ensure practicality of measurement</i>)	New measure *	50%	50%	50%	No change
The safety of our roads	% of residents who agree that local roads are safe when using them	91%	90%	85%	80%	↓
	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors <i>* Most recent NZTA Road Safety Information, 2013</i>	New measure (17% *)	<17%	<17%	<17%	No change
	Change in number of fatalities/serious injury crashes from previous year on local roads <ul style="list-style-type: none"> 2014: not measured 2013: 7 fatalities/serious injury crashes (ex NZTA Road Safety Information) 	New measure	Reduction > 1	Reduction > 1	Reduction > 1	No change

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Financial sustainability 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). ²	83%	90%	92%	95%	↑

1.7 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.

² 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

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	2,716	2,742	2,811	2,884	2,962	3,093	3,232	3,380	3,540	3,712	3,898
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,257	1,573	1,569	1,577	1,454	1,466	1,479	1,520	1,566	1,614	1,667
Fees and charges	27	17	17	18	18	19	19	20	21	21	22
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	201	173	177	182	187	192	198	204	211	218	226
Total operating funding [A]	4,201	4,505	4,574	4,661	4,621	4,770	4,928	5,124	5,338	5,565	5,813
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,383	2,662	2,701	2,764	2,603	2,668	2,740	2,820	2,905	2,995	3,095
Finance costs	12	10	10	8	7	6	4	1	-	-	-
Internal charges and overheads applied	152	163	167	171	176	182	188	193	200	207	215
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	2,547	2,835	2,878	2,943	2,786	2,856	2,932	3,014	3,105	3,202	3,310
Surplus (deficit) of operating funding [A - B]	1,654	1,670	1,696	1,718	1,835	1,914	1,996	2,110	2,233	2,363	2,503
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,871	2,378	2,060	2,071	2,038	2,053	2,072	2,130	2,194	2,262	2,337
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(3)	(22)	(23)	(24)	(26)	(28)	(30)	(32)	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	2,868	2,356	2,037	2,047	2,012	2,025	2,042	2,098	2,194	2,262	2,337
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	1,100	818	325	333	342	351	361	372	384	396	410
—to replace existing assets	3,300	3,150	3,197	3,268	3,266	3,349	3,440	3,537	3,644	3,758	3,882
Increase (decrease) in reserves	122	58	211	164	239	239	237	299	399	471	548
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	4,522	4,026	3,733	3,765	3,847	3,939	4,038	4,208	4,427	4,625	4,840
Surplus (deficit) of capital funding [C - D]	(1,654)	(1,670)	(1,696)	(1,718)	(1,835)	(1,914)	(1,996)	(2,110)	(2,233)	(2,363)	(2,503)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	2,716	2,742	2,811	2,884	2,962	3,093	3,232	3,380	3,540	3,712	3,898
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	4,128	3,951	3,629	3,648	3,492	3,519	3,551	3,650	3,760	3,876	4,004
User charges and regulatory revenue (consent fees, infringements etc...)	27	17	17	18	18	19	19	20	21	21	22
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	246	218	223	229	236	242	250	257	266	275	285
Total revenue	7,117	6,928	6,680	6,779	6,708	6,873	7,052	7,307	7,587	7,884	8,209
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	2,383	2,662	2,701	2,764	2,603	2,668	2,740	2,820	2,905	2,995	3,095
Finance costs	12	10	10	8	7	6	4	1	-	-	-
Internal charges and overheads applied	152	163	167	171	176	182	188	193	200	207	215
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	4,455	3,700	3,700	3,812	3,812	3,812	4,089	4,089	4,089	4,447	4,447
Total expenditure	7,002	6,535	6,578	6,755	6,598	6,668	7,021	7,103	7,194	7,649	7,757
Surplus (deficit) of activities	115	393	102	24	110	205	31	204	393	235	452

1.8 How we manage our assets that support this activity

Council has an extensive level of information about its roading and associated assets 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.

Proposed changes to levels of service

The focus over the next three years is to maintain existing levels of service taking into account projected population growth/decline, Council finding cost efficiencies within the existing roading programme and other demand factors.

1.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
On-going minor safety improvements and miscellaneous	371	303	310	318	327	336	346	357	369	381	395
Taylorville-Blackball Rd strengthening	729	-	-	-	-	-	-	-	-	-	-
Slaty Creek - Lake Brunner Rd upgrade	-	500	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	-	15	15	15	15	15	15	15	15	15	15
	1,100	818	325	333	342	351	361	372	384	396	410

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General bridge component renewals	255	253	257	262	376	386	396	408	420	433	447
Replacement of assets after severe weather	466	471	478	488	500	513	526	541	557	575	594
Rum Creek Bridge renewal	108	-	-	-	-	-	-	-	-	-	-
Footpath renewals	122	-	-	-	-	-	-	-	-	-	-
General renewals	2,349	2,426	2,462	2,518	2,390	2,450	2,518	2,588	2,667	2,750	2,841
	3,300	3,150	3,197	3,268	3,266	3,349	3,440	3,537	3,644	3,758	3,882

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

None are specifically provided for in this Plan, beyond providing for future growth when replacing assets.

What additional capacity is required?

The AMP contains detailed assessment of anticipated increases in demand.

Essentially over the next ten years there is unlikely to be any anticipated significant increase in demand based on the overall population growth projections for the Grey District. However, based on a review of the Census information, including normally resident population and dwellings, rural residential development has occurred and is likely to continue to occur in the following Census areas: South Beach-Cameras, Barrytown, Marsden-Hohonu, Arnold Valley and Nelson Creek-Ngahere. This type of demand and the effects on the roading activity will be monitored and are mostly to be managed through subdivision consent requirements.

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 30 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.

1.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding sources of funding for replacement of assets are:

- NZTA funding rates will change within the first ten years of the AMP as signalled above.
- NZTA funding will not materially change in years 11 to 30 of the AMP from what has been signalled by the Government funding agency.
- Other sources of funding include:
 - Rates
 - Amounts negotiated by agreement for any future developments that may create significant adverse effects to land transport infrastructure.

1.11 Significant potential negative effects of this activity

Council's work in building new, and maintaining existing, roads can potentially cause short term noise, dust, vibration and traffic congestion, while road accidents can and will happen.

Contaminants discharged from vehicles to the road surface can also be transferred to adjacent properties, drains and other waterways.

2 Stormwater

2.1 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.

2.2 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.

2.3 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.

2.4 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	1.031		
Blackball	1.231		
Blaketown	9.946	1	Greymouth Scheme
Cobden	20.202	1	Greymouth Scheme
Dobson/Taylorville	5.384		
Greymouth	58.120	2	Greymouth Scheme
Iveagh Bay	1.617		
Karoro	6.753		
Moana	4.213		
Runanga	9.757		
Rural	3.275		
South Beach/ Paroa	3.529	1	Jacks Road - Paroa
Total	125.059 km	5	

Since 2008 the total length of stormwater pipe networks has increased from 84.5 km to 125.1 km. A significant proportion of this increase is in the Blaketown, Cobden and Greymouth areas where existing combined stormwater-sewer pipes have become dedicated stormwater only pipes.

Information on minor stormwater drains in urban areas is incomplete and efforts to record actual data are on-going.

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 two hours after the rain stops and there is no damage to houses.
- The Greymouth CBD 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 100mm maximum in height at the centreline such that the road is passible 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
- Operation of the stormwater pump stations for the Greymouth Scheme

2.5 Key issues and options facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council needs accurate data about the condition of its stormwater infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council’s Financial Strategy for more information). Implications are:</p> <ul style="list-style-type: none"> • Potential for critical failure if assets are not renewed/replaced in time • Impact on level of service currently provided by Council • There may be safety, property damage and legal issues if levels of service change • Lower levels of satisfaction from users in some areas • Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake • Higher cost if renewing/replacing before the end of the asset’s useful life • Funding required for future works <p><i>In the 2012-2022 LTP, Council signaled that due to combined sewerage/stormwater pipes becoming dedicated stormwater pipes during Greymouth Sewerage Scheme works, there is reduced renewal/replacement work required for the Greymouth stormwater network. As part of this Plan, the condition assessments will be able to confirm, or otherwise, this assumption. Any changes in the actual useful life of the pipes will be included in the prioritisation plan that Council will develop after all condition assessments have been completed.</i></p>	<ul style="list-style-type: none"> • Carry out condition assessments in years 1 to 3 • Carry out upgrade works years 4 to 30 based on priorities established from assessments • Increase funding levels, i.e. from rates, transfer funds between activities, Club scheme • Improve efficiencies • More cost effective materials & operations • Please also refer to the following section, ‘outcome of community consultation’ 	✓	✓	✓
<p>The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.:</p> <ul style="list-style-type: none"> • Proposed requirement for new stormwater infrastructure • Effects on existing stormwater infrastructure • Where will the funding come from for these works • Funding for maintenance of new assets 	<ul style="list-style-type: none"> • Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Natural hazards causing backup flooding to properties. Need to consider detention ponds, stormwater pumping systems, increased pipe capacity and additional stormwater networks. Where does the funding come from for these works?	<ul style="list-style-type: none"> Funding through WCRC rating districts Possible part funding through Council Allow for capacity increases as pipelines are replaced Fund Stages 2 and 3 of Greymouth stormwater upgrades Runanga stormwater upgrade 	✓	✓	✓
Vulnerability of buried pipes in soft ground to natural hazards such earthquakes and liquefaction. Implications are: <ul style="list-style-type: none"> Funding of upgrades Safety and property damage 	<ul style="list-style-type: none"> Carry out condition assessments in years 1 to 3 Carry out upgrade works in years 3 to 30 based on priorities established from assessments 	✓	✓	✓
Phase II of the Greymouth stormwater upgrade has been deferred indefinitely due to budget constraints. Phase II involves improvements to reduce flooding in the Petrie Avenue, Puketahi Street, Whall Street areas and the south-east Greymouth CBD. There is some continued risk of flooding by not doing these works. Phase I works carried out in 2011/2012 has reduced flood risk in adjacent areas, i.e. Murray Street area.	<ul style="list-style-type: none"> Wait for funding to become available (note: these works have not been included in this Plan but may be reconsidered for future Plans) 	✓	✓	
Requirement for improved flood protection on Raleigh Creek, Runanga (in consultation with WCRC). Some works were carried out in 2014/2015 which has reduced risk.	<ul style="list-style-type: none"> Works will be carried out as budgets allow (note: these works have not been included in this Plan but may be reconsidered for future Plans) 	✓	✓	
Requirement for improved flood protection in the lower Cobden area (in consultation with West Coast Regional Council (WCRC)). Some works have already been carried out by the WCRC, which have resulted in a lower flood risk for the lower Cobden area.	<ul style="list-style-type: none"> Works will be carried out as budgets allow 	✓		
Damage to stormwater pump stations from natural hazards, e.g. earthquakes.	<ul style="list-style-type: none"> Carry out resilience works as budgets allow 	✓	✓	
Stormwater is an important Lifelines component in the event of an emergency.	<ul style="list-style-type: none"> Council will continue to maintain its stormwater network to the best of its ability 	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

Outcome of community consultation

As part of the community consultation we undertook on the Draft Plan, the following information on options for material issues and the implications was provided for community feedback. The option chosen by the community, adopted by Council and included in the Final Plan is in red.

ISSUE	OPTION		IMPLICATIONS	COST
Council needs accurate data about its stormwater network to ensure timely renewals/replacement.	1	Status quo	<ul style="list-style-type: none"> • There may be a backlog of renewals/replacements that will continue to grow • Large rate increases will be required in future years to catch up • Risk of critical asset failure of stormwater infrastructure if not properly maintained and replaced as necessary, which could decrease levels of service • This option is financially unsustainable 	No initial cost implications but large rate rises likely in future years
Council needs accurate data about its stormwater network to ensure timely renewals/replacement.	2	Get caught up and carry out all critical replacements in year 1	<ul style="list-style-type: none"> • Large rate increase in year 1 and smaller rate increase per annum from year 2 onwards • Will maintain current levels of service but does not cover cost of adequately maintaining the service for future years • Potential risk of asset failure of stormwater infrastructure if not properly maintained and replaced as necessary 	<ul style="list-style-type: none"> • Large rate increase of 5% of total rates in year 1 then smaller annual rate increases from year 2 onwards
Council needs accurate data about its stormwater network to ensure timely renewals/replacement.	3	Carry out condition assessments on existing pipework in years 1 to 3 so a prioritisation plan can be made <i>(Council's preferred option)</i>	<ul style="list-style-type: none"> • Moderately increase rate funding in year 1 then smaller rate funding contributions from year 2 onwards • Maintains existing levels of service • Some risk of asset failure while assessments are being carried out 	<ul style="list-style-type: none"> • Moderate rate increase of 1.3% of total rates in year 1 then smaller annual rate increases from year 2 onwards (ranging from 0.3% to 1% of total rates per annum) • The cost of detailed assessments for years 1-3 will be approximately \$160,000 in total

2.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of residents are satisfied with the overall stormwater service	75%	65%	65%	65%	No change
	Number of complaints received about a Council stormwater scheme (per 1,000 properties connected to a Council scheme) Number of service connections: 5,852	New measure	Total complaints: 15 Per 1,000 properties: 2.6	Total complaints: 15 Per 1,000 properties: 2.6	Total complaints: 12 Per 1,000 properties: 2	↓
	Basic information provided on Council's web site More detailed information is provided within 10 working days	Achieved	Achieved	Achieved	Achieved	No change
The reliability and efficiency of the stormwater system	% of residents are satisfied with the way their property drains stormwater in urban and residential areas	80%	60%	60%	60%	No change
	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events	Achieved	Achieved	Achieved	Achieved	No change
	Maximum number of flooding events * <i>* Note: a flood event is defined as a 50 year flood, which is a flood event that has a 2% probability occurring in any given year. To measure this Council will obtain information on corresponding storm event rainfall intensities.</i>	New measure	Nil	Nil	Nil	No change
	For each flooding event, maximum number of habitable floors affected (per 1,000 properties connected to a Council scheme) Number of serviced urban properties: 5,852 <i>Note:</i> <ul style="list-style-type: none"> Council is only measuring reported incidents in urban areas where the stormwater network is. Number of serviced properties includes all urban properties, whether connected to the Council service or not. Some properties discharge stormwater via their own property stormwater system to watercourses. 	New measure	Total floors: 2 Per 1,000 properties: 0.34	Total floors: 2 Per 1,000 properties: 0.34	Total floors: 2 Per 1,000 properties: 0.34	No change
	Maximum number of local road closures due to surface flooding per year	Nil	30	30	30	No change
	Median response time to attend a flooding event	New measure	3 hours	3 hours	3 hours	No change

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Financial sustainability 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) ³	84%	40%	44%	48%	↑
Stormwater discharges are managed without adversely affecting the receiving environment	<ul style="list-style-type: none"> • Number of abatement notices • Number of infringement notices • Number of enforcement orders • Number of successful prosecutions Total for all enforcement actions	New measure	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	No change

2.7 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.

³ 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

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	735	922	972	977	1,134	1,187	1,307	1,429	1,525	1,619	1,748
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	735	922	972	977	1,134	1,187	1,307	1,429	1,525	1,619	1,748
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	261	353	354	331	295	310	327	340	357	366	381
Finance costs	38	34	35	36	37	37	37	36	35	34	33
Internal charges and overheads applied	149	139	143	146	150	155	159	164	170	176	182
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	448	526	532	513	482	502	523	540	562	576	596
Surplus (deficit) of operating funding [A - B]	287	396	440	464	652	685	784	889	963	1,043	1,152
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(11)	(10)	(11)	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(17)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(11)	(10)	(11)	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(17)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	32	7	7	7	7	7	7	7	7	7	7
—to replace existing assets	259	397	422	446	634	666	764	869	942	1,021	1,128
Increase (decrease) in reserves	(15)	(18)	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	276	386	429	453	641	673	771	876	949	1,028	1,135
Surplus (deficit) of capital funding [C - D]	(287)	(396)	(440)	(464)	(652)	(685)	(784)	(889)	(963)	(1,043)	(1,152)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	735	922	972	977	1,134	1,187	1,307	1,429	1,525	1,619	1,748
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	18	18	19	19	20	20	21	21	22	23	24
Total revenue	753	940	991	996	1,154	1,207	1,328	1,450	1,547	1,642	1,772
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	261	353	354	331	295	310	327	340	357	366	381
Finance costs	38	34	35	36	37	37	37	36	35	34	33
Internal charges and overheads applied	149	139	143	146	150	155	159	164	170	176	182
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	677	803	806	908	914	923	868	879	892	999	1,016
Total expenditure	1,125	1,329	1,338	1,421	1,396	1,425	1,391	1,419	1,454	1,575	1,612
Surplus (deficit) of activities	(372)	(389)	(347)	(425)	(242)	(218)	(63)	31	93	67	160

2.8 How we manage our assets that support this activity

Council has an extensive level of information about its stormwater and associated assets but information with regards to 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.

Proposed changes to levels of service

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

2.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	32	7	7	7	7	7	7	7	7	7	7
	32	7	7	7	7	7	7	7	7	7	7

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals of the network	259	397	422	446	634	667	764	869	942	1,021	1,128
	259	397	422	446	634	667	764	869	942	1,021	1,128

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

The AMP shows no significant increase in demand based on population growth/decline projections.

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

2.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding 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.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding sources of funding for replacement of assets are:

- Project costs will primarily be funded through rates for the replacement assets.
- Other sources of funding include:
 - Financial contributions

2.11 Significant potential negative effects of this activity

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 as outlined in the implications (consequences) shown in the table above on significant issues.

Two primary examples are:

- Capacity constraints of the Greymouth CBD system and associated surface flooding during extreme rain events.
- Collapsed stormwater pipes that could lead to property damage include vehicles on roads and if the collapse occurs during storm events, also associated surface flooding and consequential property damage.

3 Wastewater (sewerage)

3.1 Activities included in this group

Sewerage includes collection, treatment and disposal in the six (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 Plan.

The Taylorville/Dobson/Kaiata scheme is to be incorporated into the Wider Greymouth scheme during the term of this Plan.

This activity does not cover on-site individual property waste disposal systems or public schemes that are owned and operated by other individuals or businesses.

3.2 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.

3.3 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.

OUTCOME	CONTRIBUTION
Sustainable management of the Environment	The need to treat wastewater to required standards is most important to avoid harm to the environment

3.4 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
Taylorville/Dobson/Kaiata	335	Grey River

The scheme areas are based on the extent of pipe networks that exist in these areas. The community areas related to the Census boundaries defined by Statistics New Zealand.

The partially treated effluent discharges to the Grey River for the Greymouth Scheme (Cobden, Blaketown, Greymouth Central and Greymouth South) near Johnston Street and Cobden will be discontinued during the life of this Plan. One fully treated effluent discharge site will be retained near Johnston Street.

Effluent from Cobden will be pumped across the Grey River (via the Cobden State Highway bridge) to the Greymouth Treatment Plant at Preston where it will be treated then pumped to Johnston Street for final treatment prior to discharge.

Taylorville/Dobson/Kaiata is a new reticulated scheme expected to be fully operational by 30 June 2014 and connected to the Greymouth scheme.

Council will attend to the following:

- Connection of the Cobden, Taylorville, Dobson and Kaiata communities to the Greymouth waste water collection and treatment scheme
- Completion of outstanding separation works for the Greymouth Scheme and encouraging individual properties to connect to the scheme in the areas of Greymouth, Blaketown, Cobden, Taylorville, Dobson and Kaiata
- 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

3.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Some sewerage schemes are nearing the end of their useful life and need replacing. Council needs to ensure there is adequate funding for maintenance, renewals and asset replacements. If pipes, plant and equipment are not replaced in a timely manner, loss of service (outages), leakage of untreated discharges to properties and the environment could occur.	<ul style="list-style-type: none"> • Carry out condition assessments of existing pipework to assist in determining its expected life • Budget sufficient funds for timely replacement • Replacement of parts of the Runanga sewer network is planned for year 3 of this Plan 	✓	✓	✓
The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.: <ul style="list-style-type: none"> • Proposed requirement for new sewer infrastructure • Where will the funding come from for these works? • Funding for maintenance of new assets Note: NOT an option to build over pressurised sewage distribution mains.	<ul style="list-style-type: none"> • Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		
Requests from the community for new schemes or from developers for schemes in specific locations.	<ul style="list-style-type: none"> • Council will remain receptive and support community initiatives when approached • Council will continue to consult with developers to determine demand and capacity requirements 	✓	✓	✓
Potential legislative changes that may lead to increasing levels of treatment before discharge to the environment.	<ul style="list-style-type: none"> • Council will consider any changes when proposed 	✓	✓	✓
Damage to wastewater network components from natural hazards, e.g. earthquakes.	<ul style="list-style-type: none"> • Improve the resilience of schemes as budgets allow, e.g. <ul style="list-style-type: none"> ○ Use flexible pipelines in replacements ○ Bolt down all equipment and pumps ○ Undertake longer term assessments on buildings and pump stations 	✓	✓	✓
Wastewater is an important Lifelines component in the event of an emergency.	<ul style="list-style-type: none"> • Council will continue to maintain its wastewater network to the best of its ability 	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

3.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Customer satisfaction	% of residents are satisfied with wastewater service	68%	65%	67%	70%	↑
	Number of complaints received, e.g. about odour, faults, blockages, response times (per 1,000 sewerage connections) Number of service connections: 3,910	New measure	Total complaints: 35 Per 1,000 properties: 9	Total complaints: 35 Per 1,000 properties: 9	Total complaints: 30 Per 1,000 properties: 7.7	↓
	Basic fact information provided on Council's website More detailed information is provided within 10 working days	Achieved	Achieved	Achieved	Achieved	No change
The reliability and efficiency of the wastewater system	Number of wastewater overflows into houses due to faults in the public reticulation	Nil	Nil	Nil	Nil	No change
	Number of dry weather sewerage overflows (per 1,000 sewerage connections) Number of service connections: 3,910	New measure	Total overflows: 4 Per 1,000 properties: 1	Total overflows: 3 Per 1,000 properties: 0.8	Total overflows: 2 Per 1,000 properties: 0.5	↓
	If deemed necessary by the West Coast Regional Council, any non-compliance is publicly advertised: <ul style="list-style-type: none"> • Within ½ hour on the website • Same day on the local radio station • The next publication of the local daily newspaper 	Achieved	Achieved	Achieved	Achieved	No change
	Median response times to reported faults <ul style="list-style-type: none"> • to get to site (timed from notification) • to resolve the problem (timed from notification) 	New measure	<ul style="list-style-type: none"> • 1 hour • 3 hours 	<ul style="list-style-type: none"> • 1 hour • 3 hours 	<ul style="list-style-type: none"> • 1 hour • 3 hours 	No change
	All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	Achieved	No change

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Financial sustainability 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) ⁴	99%	45%	50%	60%	↑
Treated waste water discharges are managed without adversely affecting the receiving environment	<ul style="list-style-type: none"> • Number of abatement notices • Number of infringement notices • Number of enforcement orders • Number of successful prosecutions Total for all enforcement actions	New measure	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	<ul style="list-style-type: none"> • 2 • 1 • Nil • Nil 3	No change

3.7 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.

⁴ 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

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,217	2,385	2,463	2,568	2,645	2,699	2,759	2,865	2,937	2,944	3,008
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	82	97	100	103	105	108	112	115	119	123	127
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,299	2,482	2,563	2,671	2,750	2,807	2,871	2,980	3,056	3,067	3,135
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	791	885	917	955	978	1,014	1,059	1,092	1,137	1,195	1,238
Finance costs	1,006	943	974	1,005	1,036	1,066	1,056	1,045	1,033	1,020	1,007
Internal charges and overheads applied	199	188	193	198	203	209	216	222	230	238	246
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,996	2,016	2,084	2,158	2,217	2,289	2,331	2,359	2,400	2,453	2,491
Surplus (deficit) of operating funding [A - B]	303	466	479	513	533	518	540	621	656	614	644
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	14	14	14	15	15	16	16	17	17	18	18
Increase (decrease) in debt	209	1,786	4	(139)	(142)	185	(160)	(172)	(184)	(197)	(211)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	223	1,800	18	(124)	(127)	201	(144)	(155)	(167)	(179)	(193)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	20	3,020	141	-	-	334	-	-	-	-	-
—to replace existing assets	506	285	296	539	556	325	336	616	639	375	391
Increase (decrease) in reserves	-	(1,039)	60	(150)	(150)	60	60	(150)	(150)	60	60
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	526	2,266	497	389	406	719	396	466	489	435	451
Surplus (deficit) of capital funding [C - D]	(303)	(466)	(479)	(513)	(533)	(518)	(540)	(621)	(656)	(614)	(644)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,217	2,385	2,463	2,568	2,645	2,699	2,759	2,865	2,937	2,944	3,008
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	82	97	100	103	105	108	112	115	119	123	127
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	27	27	28	29	30	31	31	33	33	35	36
Total revenue	2,326	2,509	2,591	2,700	2,780	2,838	2,902	3,013	3,089	3,102	3,171
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	791	885	917	955	978	1,014	1,059	1,092	1,137	1,195	1,238
Finance costs	1,006	943	974	1,005	1,036	1,066	1,056	1,045	1,033	1,020	1,007
Internal charges and overheads applied	199	188	193	198	203	209	216	222	230	238	246
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,021	959	963	1,102	1,110	1,117	1,221	1,226	1,234	1,387	1,394
Total expenditure	3,017	2,975	3,047	3,260	3,327	3,406	3,552	3,585	3,634	3,840	3,885
Surplus (deficit) of activities	(691)	(466)	(456)	(560)	(547)	(568)	(650)	(572)	(545)	(738)	(714)

3.8 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, treated sewerage effluent standards, continuity of supply, response to complaints, and criteria for maintenance, renewals and upgrades. The AMP details how Council will comply with all relevant legislation and regulatory requirements at all times.

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

Proposed changes to levels of service

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

3.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Greymouth wastewater upgrade		3,000	121	-	-	334	-	-	-	-	-
Miscellaneous new capital	20	20	20	-	-	-	-	-	-	-	-
	20	3,020	141	-	-	334	-	-	-	-	-

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals of the wastewater network	506	285	296	539	556	325	336	616	639	375	391
	506	285	296	539	556	325	336	616	639	375	391

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

The AMP 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.

3.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP. It is assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.
- Known areas where the service life is less than the typical assumed average service life based on the type of materials used are Runanga and Dunollie

Assumptions regarding 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 and user charges
 - Financial contributions
 - Special reserve funds
 - Financial assistance (primarily from Ministry of Health)

3.11 Significant potential negative effects of this activity

- 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.
- Increased severity of damage if failure of activity component(s) occurs, e.g. main line breakage.
- Lack of ability to fund required works and services.
- Insufficient service provision by service providers (poor design and/or work standards).
- Public land/property/space not available for other uses.

4 Water supply

4.1 Activities included in this group

This activity includes sourcing, treating and distributing water from the following Council water supply schemes:

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

The Kaiata Developments scheme is likely to transfer to Council before or during the term of this Plan. This is a new scheme created as part of a subdivision development. A condition of the Resource Consent is that the water supply must meet current drinking water standards prior to transfer to Council.

The Taylorville/Dobson/Stillwater scheme is to be connected to the wider Greymouth scheme at the commencement of this Plan.

4.2 Why we are involved in this activity/these activities

Water is a basic need and an essential service. We provide quality, affordable water and, in the process contribute to:

- Our community’s health
- Community safety (through water supply for firefighting)
- Industrial and residential development

4.3 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.
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 firefighting.

4.4 What we’ll provide

The five water networks operated and maintained by Council require approximately 190km of pipes, nine reservoirs, and 12 pump stations to deliver over 2.6 billion litres of water per year.

There are over 4,700 households and businesses connected to a Council scheme. A summary of Council’s Water infrastructure and distribution is as follows:

	Greymouth	Taylorville/ Dobson/ Stillwater	Blackball	Runanga/ Rapahoe
Number of connections	3,644	322	191	620
Source water quality – current grade	E	E	E	E
Reticulation zone water quality – current grade	Greymouth: c Cobden: c	Taylorville: b Dobson: b Stillwater: b	c	Runanga: c Rapahoe: d
Reticulation zone water quality – target grade	Greymouth: b Cobden: b	Taylorville: b Dobson: b Stillwater: b	b	Runanga: b Rapahoe: b

12% of the district’s population provide their own water supply.

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

- Source/treatment plant (the CAPITAL letter); and
- Within the distribution network/pipes (the lowercase letter).

Greymouth reticulation zone includes Blaketown, Cobden, Greymouth Central, Greymouth South, Boddytown, Karoro, South Beach and Paroa.

Runanga reticulation zone includes Dunollie.

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

This is a core business for Council. Council is responsible for the operation and maintenance of these water schemes, which includes:

- Managing and maintaining the network so water is constantly available on demand and is delivered at an appropriate quality (colour and taste) and quantity (pressure and flow) (in part to meet firefighting requirements).
- Responding promptly to fix all faults.
- Detecting and fixing leaks, installing water meters for large commercial water users and water meter readings.
- Planning and carrying out renewals to replace assets in a timely manner.
- Monitoring water quality to ensure it meets the required standard and is not contaminated or presenting a health risk.
- Planning to respond to emergency events that may damage the network, such as earthquakes. We often refer to this as Lifelines Planning, as lifelines are critical services that will be needed during an emergency event.
- Forward planning to ensure future demand can be met, taking into account anticipated growth and other factors such as climate change impacts.

The physical works required for the maintenance of the schemes is contracted out, typically for five year contracts. Major renewals or new capital works are also contracted out via tender.

4.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council needs accurate data about the condition of its water supply infrastructure so we are not faced with critical failure or renewing/replacing assets before the end of their useful life. Council also has not been fully funding depreciation so must look at the future funding of this activity (refer to PART C: Council's Financial Strategy for more information).</p> <p>Implications are:</p> <ul style="list-style-type: none"> • Potential for critical failure if assets are not renewed/replaced in time • Impact on level of service currently provided by Council • Lower levels of satisfaction from users in some areas, e.g. potential for lower quality of drinking water (i.e. colour, taste) • Higher cost if renewing/replacing before the end of the asset's useful life • Funding required for future works • Lower resilience of older infrastructure in event of a natural disaster, e.g. earthquake • Public health/safety issues 	<ul style="list-style-type: none"> • Carry out condition assessments in years 1 to 3 • Carry out upgrade works years 4 to 30 based on priorities established from assessments • Investigate advantages and disadvantages of water metering for all consumers (i.e. increasing revenue whilst likely decreasing consumption) • Defer renewals • Increase funding levels, i.e. from rates, transfer funds between activities • Club scheme for renewals as well as maintenance and operations • Improve efficiencies • More cost effective materials & operations • Please also refer to the following section, 'outcome of community consultation' 	✓	✓	✓
<p>Our current water supply storage for Greymouth is 10-12 hours storage – this is below the national standard for fire safety of 24 hours.</p>	<ul style="list-style-type: none"> • Provide increased storage to meet national targets, additional water reservoirs (this has not been provided for in this Plan) • Accept risk of not providing adequate storage • Provide information to encourage property owners to provide supplementary storage • Educate consumers on water conservation 	✓	✓	
<p>The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.:</p> <ul style="list-style-type: none"> • Proposed requirement for new water supply infrastructure • Where will the funding come from for these works? • Funding for maintenance of new assets <p>Note: It is not an option to build over pressurised water supply mains.</p>	<ul style="list-style-type: none"> • Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The Runanga/Rapahoe water supply is currently the only one that Council does not provide any treatment for. When floods and ground disturbances occur in the area, the water supply can and has become contaminated, necessitating boil water notices and costly temporary protection.	<ul style="list-style-type: none"> • Ministry of Health have approved funding assistance for the introduction of raw water protection for the Runanga/Rapahoe water supply • Council has programmed this for year 1 (2015/2016) 	✓		
Provision of reticulated water supply for the Kaiata community by connecting the area to the Greymouth supply to provide full protection to the community. Currently the community is serviced by on-site property owned rainwater collection systems.	<ul style="list-style-type: none"> • Further to consultation with the Kaiata community as part of the Draft LTP, this project will not be proceeding at this stage as per their feedback. This project is therefore not included in this Plan, however there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan. 	✓	✓	
Damage to water supply network components from natural hazards, e.g. earthquakes.	<ul style="list-style-type: none"> • Improve the resilience of schemes as budgets allow, e.g. <ul style="list-style-type: none"> ○ Completion of the provision of main reservoir pipeline burst valves to stop reservoirs draining water if pipelines are broken during earthquake ○ Use flexible pipelines in replacements ○ Bolt down all equipment and pumps ○ Undertake longer term assessments on buildings and structures as reservoirs 	✓	✓	✓
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards. Implication: <ul style="list-style-type: none"> • Quality of drinking water won't meet current or future drinking water standards. 	<ul style="list-style-type: none"> • Upgrades to be investigated if required. 	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	<ul style="list-style-type: none"> • Council will remain receptive and support community initiatives when approached • Council will continue to consult with developers to determine demand and capacity requirements 	✓	✓	✓
Water supply is an important Lifelines component in the event of an emergency.	<ul style="list-style-type: none"> • Council will continue to maintain its water supply network to the best of its ability 	✓	✓	✓

Please also refer to PART C: Council's Financial Strategy and PART D: Infrastructure Strategy for additional information on this activity.

Water standards

Apart from the Runanga/Rapahoe water supply, all of the Council public water supply schemes have basic protection systems in place. This means there is still a risk of really small bacterial and bugs getting into the systems and making people sick – please note that there will always be risks present in the land areas where water is sourced. Many of these risks are beyond Council’s direct control. Practical means of protecting water supply users is to ensure barrier and treatment systems are in place at the intake/treatment plants and within the pipelines.

Council’s current water supply schemes must comply with the New Zealand Drinking Water Standards (NZDWS) by the following dates:

Water Supply-Community	Required Compliance Date (Note 1)	Intended Date to Meet NZDWS (Note 2)	Expected Ministry of Health Verification of Compliance (Note 3)
Stillwater	1 July 2015	1 December 2015	1 December 2016
Dobson-Taylorville	1 July 2014	1 December 2015	1 December 2016
Runanga-Rapahoe	1 July 2014	1 July 2016	1 December 2017
Greymouth	1 July 2013	1 July 2015	1 July 2016
Blackball	1 July 2015	Complies	Complies

Notes:

1. For the schemes where Council is still to meet the required compliance dates, Council has Ministry of Health approved Water Safety Plans in place to manage the risks until all the supplies meet in full the requirements of the NZDWS.
2. The Ministry of Health approved funding assistance for both Stillwater and the Dobson/Taylorville communities. The Stillwater water supply was connected to the Dobson-Taylorville Scheme in December 2014. The connection between Greymouth and Dobson-Taylorville is expected to be completed prior to 1 December 2015. The Greymouth Scheme is planned to be upgraded to meet the new drinking water standards prior to 1 July 2015. With all three schemes being interconnected and supplied with treated water from the one source, all three water supply communities are expected to meet the NZDWS by the dates shown in the table above.
3. Council is required to supply a minimum of 12 months of data to the Ministry in order to provide assurance that the schemes will continue to meet the drinking water standard. Eighteen months has been allowed, which includes a commissioning period.

Council will report against these intended target dates.

Outcome of community consultation

As part of the community consultation we undertook on the Draft Plan, the following information on options for material issues and the implications was provided for community feedback. The option chosen by the community, adopted by Council and included in the Final Plan is in red.

ISSUE	OPTION	IMPLICATIONS	COST
Council needs accurate data about its water supply to ensure timely renewals/replacement.	1 Status quo	<ul style="list-style-type: none"> There may be a backlog of renewals/replacements that will continue to grow Large rate increases will be required in future years to catch up Risk of critical asset failure of water supply infrastructure if not properly maintained and replaced as necessary, which could decrease levels of service This option is financially unsustainable 	No initial cost implications but large rate rises likely in future years
Council needs accurate data about its water supply to ensure timely renewals/replacement.	2 Get caught up and carry out all critical replacements in year 1	<ul style="list-style-type: none"> Large rate increase in year 1 Will maintain current levels of service but does not cover cost of adequately maintaining the service for future years Potential risk of asset failure of water supply infrastructure if not properly maintained and renewed/replaced as necessary 	Rate increase of 1.5% of total rates in year 1 then smaller annual rate increase from year 2
Council needs accurate data about its water supply to ensure timely renewals/replacement.	3 Carry out condition assessments on existing pipework in years 1 to 3 so a prioritisation plan can be made <i>(Council's preferred option)</i>	<ul style="list-style-type: none"> Increase rate funding from year 1 onwards Maintains existing levels of service Some risk of asset failure while assessments are being carried out 	<ul style="list-style-type: none"> Rate increase of 0.1% of total rates in year 1 and then annual rate increases from year 2 (ranging from 0.1% to 0.9% of total rates per annum) The cost of detailed assessments for years 1-3 will be approximately \$100,000 in total

ISSUE	OPTION	IMPLICATIONS	COST
Provision of reticulated water supply for the Kaiata community by connecting the area to the Greymouth supply to provide full protection to the community.	1 Status quo	<ul style="list-style-type: none"> The community is currently serviced by on-site property owned rainwater collection systems – this would continue if the community choose not to proceed with this project No change to level of service No increased cost to Council or to ratepayers 	<p>Further to consultation with the Kaiata community as part of the Draft LTP, this project will not be proceeding at this stage as per their feedback.</p> <p>This project is therefore not included in this Plan, however there is a chance that in the future the community may want the project to proceed. If so, this will be included in the relevant Annual Plan. The capital cost of the project would be approximately \$1.25 million, noting Council is entitled to a significant subsidy from the Ministry of Health of 85%. There would be associated increase in the Water Supply rate for the Kaiata community if the project proceeds in later years.</p>
Provision of reticulated water supply for the Kaiata community by connecting the area to the Greymouth supply to provide full protection to the community.	2 Proceed with a new water supply scheme for the Kaiata community in year 2	<ul style="list-style-type: none"> A new water supply scheme will provide consistent quality and taste drinking water and will comply with New Zealand Drinking Water Standards Increase in level of service Increase in rates from year 2 Capital cost to Council 	<ul style="list-style-type: none"> The capital cost of the project is approximately \$1.25 million, noting Council is entitled to a significant subsidy from the Ministry of Health of 85% If the project proceeds, each ratepayer will pay an additional \$495 per year on their Water Supply Rate from year 2

4.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	74%	80%	90%	90%	↑
	% of residents are satisfied with the pressure and flow of water	88%	80%	80%	80%	No change
	% of residents are satisfied with overall water supply service	70%	75%	75%	75%	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
	Maximum number of complaints received about water clarity, taste, odour, pressure/flow, continuity of supply or Council's response to reported issues (per 1,000 water supply connections) Number of rated properties: 4,777	New measure	Total complaints: 150 Per 1,000 properties: 31.4	Total complaints: 135 Per 1,000 properties: 28.3	Total complaints: 125 Per 1,000 properties: 26.2	↓
Council is providing a reliable, efficient and safe water supply	If deemed necessary by the Ministry of Health, any non-compliance is publicly notified as soon as practical, by advertising: <ul style="list-style-type: none"> • Within ½ hour on the website • Same day on the local radio station • The next available publication of the local daily newspaper 	Achieved	Achieved	Achieved	Achieved	No change
	Maximum number of notifiable water supply transgressions with Drinking Water Standards per year: <ul style="list-style-type: none"> • Greymouth • Blackball • Runanga/Rapahoe • Dobson/Taylorville/Stillwater 	<ul style="list-style-type: none"> • Nil • Nil • Nil • Nil 	<ul style="list-style-type: none"> • Nil • Nil • 5 • 1 	<ul style="list-style-type: none"> • Nil • Nil • 1 • Nil 	<ul style="list-style-type: none"> • Nil • Nil • 1 • Nil 	↓
	All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	Achieved	No change
	Maximum % of real water loss from reticulation system (water loss measured from the reservoirs at least once per year): <ul style="list-style-type: none"> • Greymouth • Blackball • Runanga/Rapahoe • Taylorville/Dobson/Stillwater 	New measure	<ul style="list-style-type: none"> • 12% • 5% • 15% • 15% 	<ul style="list-style-type: none"> • 10% • 5% • 15% • 14% 	<ul style="list-style-type: none"> • 8% • 5% • 12% • 12% 	↓

What we're measuring	How we'll measure	Target																												
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend																								
	Drinking water supply compliance with following sections of the drinking water standards: Part 4 – bacteria ⁵ compliance criteria - <ul style="list-style-type: none"> • Greymouth • Runanga/Rapahoe • Blackball • Taylorville/Dobson/Stillwater Part 5 – protozoal ⁴ compliance criteria - <ul style="list-style-type: none"> • Greymouth • Runanga/Rapahoe • Blackball • Taylorville/Dobson/Stillwater 	New measure	Bacteriological compliance: <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes Protozoa compliance: <ul style="list-style-type: none"> • Yes • No • Yes • Yes • Yes 	Bacteriological compliance: <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes Protozoa compliance: <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes 	Bacteriological compliance: <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes Protozoa compliance: <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes 	No change																								
Average consumption of drinking water per day per resident	<p>Note: This is a new measure – figures below are from Nov 2013 – Oct 2014</p> <p>Average consumption per day per resident = 640 litres¹</p> <p>Breakdown –</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Litres supplied per year</th> <th>Population serviced²</th> <th>Consumption³</th> </tr> </thead> <tbody> <tr> <td>Greymouth</td> <td>2,149,850,000</td> <td>8,928</td> <td>660</td> </tr> <tr> <td>Runanga/Rapahoe</td> <td>375,950,000</td> <td>1,519</td> <td>678</td> </tr> <tr> <td>Blackball</td> <td>48,800,000</td> <td>468</td> <td>286</td> </tr> <tr> <td>Dobson/Taylorville/Stillwater</td> <td>158,100,000</td> <td>789</td> <td>549</td> </tr> <tr> <td>Totals</td> <td>2,732,700,000</td> <td>11,704</td> <td>640</td> </tr> </tbody> </table> <p>¹ Supply and consumption includes industrial/commercial use</p> <p>² Normal resident population ex 2013 Census</p> <p>³ Consumption expressed as litres per person per day.</p>	Scheme	Litres supplied per year	Population serviced ²	Consumption ³	Greymouth	2,149,850,000	8,928	660	Runanga/Rapahoe	375,950,000	1,519	678	Blackball	48,800,000	468	286	Dobson/Taylorville/Stillwater	158,100,000	789	549	Totals	2,732,700,000	11,704	640	New measure	< 640 litres per person per day	< 640 litres per person per day	< 550 litres per person per day	↓
Scheme	Litres supplied per year	Population serviced ²	Consumption ³																											
Greymouth	2,149,850,000	8,928	660																											
Runanga/Rapahoe	375,950,000	1,519	678																											
Blackball	48,800,000	468	286																											
Dobson/Taylorville/Stillwater	158,100,000	789	549																											
Totals	2,732,700,000	11,704	640																											

⁵ Bacteria (e.g. E.Coli) and protozoa (e.g. Giardia and Cryptosporidium) are small living organisms (bugs and such like) that are harmful to humans. Bacteria can be removed by chlorine disinfection whereas protozoa cannot and require higher levels of treatment.

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Our response times to reported faults	Median response times to faults or unplanned interruptions: <ul style="list-style-type: none"> Attendance time for urgent call-outs (from notification) Resolution time for urgent call-outs (from notification) Attendance time for non-urgent call-outs Resolution time for non-urgent call-outs 	New measure	<ul style="list-style-type: none"> 1 hour 3 hours 1 working day 5 working days 	<ul style="list-style-type: none"> 1 hour 3 hours 1 working day 5 working days 	<ul style="list-style-type: none"> 1 hour 3 hours 1 working day 5 working days 	No change
Financial sustainability 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) ⁶	114%	90%	90%	92%	↑
Water is sourced from a sustainable resource	Maximum number of resource consent infringements	Nil	Nil	Nil	Nil	No change

4.7 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 300m³ per annum (300,000 litres)

User charges and other revenue

- Contributions from developers for new sections connecting to schemes

Subsidies and grants

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

⁶ 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

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,107	2,117	2,184	2,304	2,449	2,563	2,703	2,774	2,864	2,977	3,092
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,107	2,117	2,184	2,304	2,449	2,563	2,703	2,774	2,864	2,977	3,092
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,043	1,067	1,085	1,153	1,152	1,193	1,252	1,291	1,344	1,418	1,469
Finance costs	372	385	395	403	412	419	410	400	390	379	367
Internal charges and overheads applied	104	110	112	115	118	122	126	130	134	139	144
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,519	1,562	1,592	1,671	1,682	1,734	1,788	1,821	1,868	1,936	1,980
Surplus (deficit) of operating funding [A - B]	588	555	592	633	767	829	915	953	996	1,041	1,112
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	1,092	267	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,508	326	(114)	(117)	(121)	(127)	(136)	(145)	(156)	(167)	(179)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	2,600	593	(114)	(117)	(121)	(127)	(136)	(145)	(156)	(167)	(179)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	2,517	700	-	-	-	-	-	-	-	-	-
—to replace existing assets	695	472	502	540	670	726	803	832	864	898	957
Increase (decrease) in reserves	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	3,188	1,148	478	516	646	702	779	808	840	874	933
Surplus (deficit) of capital funding [C - D]	(588)	(555)	(592)	(633)	(767)	(829)	(915)	(953)	(996)	(1,041)	(1,112)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,107	2,117	2,184	2,304	2,449	2,563	2,703	2,774	2,864	2,977	3,092
Subsidies and grants (operating and capital)	1,092	267	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	14	14	14	14	15	15	16	16	17	17	18
Total revenue	3,213	2,398	2,198	2,318	2,464	2,578	2,719	2,790	2,881	2,994	3,110
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,043	1,067	1,085	1,153	1,152	1,193	1,252	1,291	1,344	1,418	1,469
Finance costs	372	385	395	403	412	419	410	400	390	379	367
Internal charges and overheads applied	104	110	112	115	118	122	126	130	134	139	144
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	588	546	563	649	657	629	666	670	683	776	789
Total expenditure	2,107	2,108	2,155	2,320	2,339	2,363	2,454	2,491	2,551	2,712	2,769
Surplus (deficit) of activities	1,106	290	43	(2)	125	215	265	299	330	282	341

4.8 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, water quality standards, continuity of supply, response to complaints, and criteria for maintenance, renewals and upgrades. It also details how Council will comply with all relevant legislation and regulatory requirements at all times.

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.

Proposed changes to levels of service

Our work programme over the next three years is based on past workloads and set at a level to maintain existing levels of service taking into account projected population growth/decline and other demand factors.

4.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Greymouth water supply upgrades	561	-	-	-	-	-	-	-	-	-	-
Runanga water supply - plant upgrade	700	700	-	-	-	-	-	-	-	-	-
Dobson/Taylorville water supply - connect to Greymouth supply	1,217	-	-	-	-	-	-	-	-	-	-
Kaiata water supply - new scheme	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	39	-	-	-	-	-	-	-	-	-	-
	2,517	700	-	-	-	-	-	-	-	-	-

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Replacement pipeline - Omoto reservoir	220	-	-	-	-	-	-	-	-	-	-
General renewals of the water supply network	475	472	503	540	671	726	803	832	864	898	957
	695	472	503	540	671	726	803	832	864	898	957

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

The AMP contains detailed assessment of anticipated increases in demand. Essentially over the next 30 years there is unlikely to be any anticipated significant increase in demand based population growth projections. The assumption may be incorrect for instance if there is a commercial venture initiated that does require a significant water supply. However no commercial ventures requiring large water supply requirements from Council have been signalled during the preparation of this Plan.

- Insufficient component/service capacity for adverse events (Drought, Floods, Erosion, Earthquakes, Fuel Spills).
- Insufficient service provision by service providers (poor design and/or work standards).
- Public land/property/space is not available for other uses.

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.

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.

4.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding 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. It assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.
- Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding 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
 - Ministry of Health subsidies (if available in the future)

4.11 Significant potential negative effects of this activity

- Lack of ability to fund required works and services.
- Increased severity of damage if failure of activity component(s) occurs, e.g. main line breakage.

5 Solid waste (refuse and recycling)

5.1 Activities included in this group

Waste management involves:

- Refuse collection
- Recovery of recyclable materials
- Management of Landfill and Clean fill and 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.

5.2 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.

5.3 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

5.4 What we’ll provide

The Solid Waste infrastructure includes:

- McLeans Landfill and McLeans Recycling Centre, providing for:
 - Waste disposal in cells with the current cell expected to have to be closed in 2016 (assuming predicted levels of reducing volumes through recycling are reached).
 - Buildings and associated infrastructure for waste recovery and refuse recycling.
- Resource centres providing for limited capacity waste transfer facilities with waste from time to time transferred to McLeans landfill:
 - Moana Resource and Recovery Centre
 - Blackball Resource and Recovery Centre
 - Nelson Creek Resource and Recovery Centre

Council’s services provide the following:

- Kerbside recycling for the CBD and urban area of greater Greymouth.
- Refuse bag 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.

5.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>The existing cell at McLeans Landfill is filling faster than expected. Council will manage the existing cell in order to extend its useful life as long as possible, however the current cell is expected to have to be closed in 2016.</p> <p>Council will have to borrow money for the construction of a new cell – the approximate cost is \$4.9 million. Funding the cost of constructing the cell from rates is unaffordable to our community and would result in a rates increase of 30.8% of total rates in year 2. Funding this project from rates does not spread the cost over the expected life of the asset and therefore is not considered a prudent approach.</p> <p>The term of the loan will be 21 years, which is the expected useful life of the cell. This project has been included in the 'must address' section because Council must construct the cell in order to continue providing the service. This increases rates by 0.1% to 0.8% of total rates over the life of the Plan.</p>	<ul style="list-style-type: none"> • Create a new cell (Cell 3) at the landfill – Council has budgeted for a replacement cell to be built in year 2. Existing resource consents expired in 2032 and will need to be renewed prior to then. • Close McLeans Landfill once the cell is full and truck refuse out of the District (due to the issues involved such as reinstatement works, financial considerations as our current fees are similar to neighbouring districts and environmental monitoring requirements, this option is unlikely to be explored further) 	✓		
The increased need for waste minimisation.	<ul style="list-style-type: none"> • Community and industry education • Implementation and management of waste recycling initiatives • Investigate options for extending the current kerbside recycling collection service to other areas of the district (note: Council has not included the extension of the service in this Plan as it was deemed unaffordable given the other issues the community faces – it is included as an option for community consultation – see below) 	✓	✓	✓
Financial impact of Emissions Trading Scheme (ETS).	<ul style="list-style-type: none"> • Providing for the financial impact of the ETS on the landfill 	✓		
Increasing volume of demolition waste by building owners who choose to demolish their earthquake prone buildings rather than strengthen them.	<ul style="list-style-type: none"> • Council obtained consent in 2014/2015 for an alternative demolition site near McLeans Landfill, however there is no provision in this Plan to develop the site. The situation and future demand will be monitored • Allow private sector to provide alternative demolition site options 	✓	✓	

Waste Management Plan: With respect to waste management, there are no significant variations from this assessment.

Options for community consultation

As part of the community consultation we undertook on the Draft Plan, Council asked the community if they would like the existing kerbside collection service extended. No submissions were received on this matter, therefore no change will be made the current service. See the option highlighted in red.

ISSUE	OPTION	IMPLICATIONS	COST
Potential extension of the existing kerbside refuse and recycling collection service to the rest of the District, excluding Moana and Te Kinga (which will remain on a bag collection service).	1 Do not extend the service (status quo)	<ul style="list-style-type: none"> No increase in levels of services Potential resident dissatisfaction from those on a bag collection service 	No cost implications
Potential extension of the existing kerbside refuse and recycling collection service to the rest of the District, excluding Moana and Te Kinga (which will remain on a bag collection service).	2 Extend the service	<ul style="list-style-type: none"> Greater sorting of refuse and recyclables Possible increase in volume of quality recyclables due to larger storage shed built last year Increased level of service provided by Council Increased resident satisfaction with increased level of service 	The increased service will cost an additional \$250,000 (approximately) per annum, which equates to an increase of approximately \$90 to the existing refuse collection rate for properties new to the service

5.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
The provision of a reliable, efficient and convenient service	% of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy	74%	75%	75%	75%	No change
	% of residents are satisfied with overall service	88%	90%	92%	92%	↑
	% of waste collected is recycled ⁷ <i>Note: If Council decides to extend the kerbside refuse and recycling service, the performance measures will be 22% (year 1), 25% (years 2-3) and 30% (years 4-10)</i>	7%	10%	15%	15%	↑
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	92%	90%	90%	90%	No change

⁷ Where Council provides a recycling service.

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
	Basic information is provided on Council's website More detailed information is provided within 10 working days	Achieved	Achieved	Achieved	Achieved	No change
Financial sustainability 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) ⁸	110%	100%	100%	100%	No change
	% capacity remaining in landfill cell (100% - annual volume of waste to landfill divided by actual built capacity) Note: This measure relates to Cell 3 which is to be constructed in 2016/2017. Cell 3 should have a predicted life of 21 years but this is dependent on the final constructed size (i.e. the smaller the cell, the less volume capacity and therefore reduced life span). Also the rate of waste deposited to landfill can be variable, as is the amount of waste diverted through recycling. The % capacity remaining for Cell 3 is based on the % of waste recycled each year – refer to other related performance measures. This will be reviewed in three years when Council develops the next Long Term Plan.	New measure	N/A	Year 2 – N/A Year 3 – 3%	Year 4 - 6% Year 5 - 10% Year 6 - 13% Year 7 - 17% Year 8 - 20% Year 9 - 24% Year 10 - 28%	↑
Facilities and services are managed without adversely affecting the receiving environment	Maximum number of resource consent infringements	Nil	Nil	Nil	Nil	No change

5.7 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 and those that use facilities direct cover the relevant costs by way of user fees.

⁸ 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

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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	105	124	213	236	216	237	205	217	182	194	154
Targeted rates	1,251	1,263	1,295	1,328	1,364	1,404	1,446	1,491	1,540	1,592	1,649
Subsidies and grants for operating purposes	37	44	46	47	49	50	52	54	56	58	61
Fees and charges	630	657	735	754	775	797	821	846	874	904	936
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,023	2,088	2,289	2,365	2,404	2,488	2,524	2,608	2,652	2,748	2,800
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,661	1,620	1,638	1,702	1,728	1,798	1,831	1,911	1,951	2,042	2,089
Finance costs	87	64	351	355	359	361	349	336	323	308	293
Internal charges and overheads applied	112	111	114	117	120	124	128	132	136	141	146
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,860	1,795	2,103	2,174	2,207	2,283	2,308	2,379	2,410	2,491	2,528
Surplus (deficit) of operating funding [A - B]	163	293	186	191	197	205	216	229	242	257	272
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	144	(89)	4,572	(154)	(160)	(168)	(179)	(192)	(205)	(220)	(235)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	144	(89)	4,572	(154)	(160)	(168)	(179)	(192)	(205)	(220)	(235)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	297	194	4,748	27	27	27	27	27	27	27	27
—to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	10	10	10	10	10	10	10	10	10	10	10
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	307	204	4,758	37	37	37	37	37	37	37	37
Surplus (deficit) of capital funding [C - D]	(163)	(293)	(186)	(191)	(197)	(205)	(216)	(229)	(242)	(257)	(272)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	105	124	213	236	216	237	205	217	182	194	154
Targeted rates (including targeted rates for water supply)	1,251	1,263	1,295	1,328	1,364	1,404	1,446	1,491	1,540	1,592	1,649
Subsidies and grants (operating and capital)	37	44	46	47	49	50	52	54	56	58	61
User charges and regulatory revenue (consent fees, infringements etc...)	630	657	735	754	775	797	821	846	874	904	936
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	2,023	2,088	2,289	2,365	2,404	2,488	2,524	2,608	2,652	2,748	2,800
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,661	1,620	1,638	1,702	1,728	1,798	1,831	1,911	1,951	2,042	2,089
Finance costs	87	64	351	355	359	361	349	336	323	308	293
Internal charges and overheads applied	112	111	114	117	120	124	128	132	136	141	146
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	115	116	119	122	126	129	133	137	142	147	152
Total expenditure	1,975	1,911	2,222	2,296	2,333	2,412	2,441	2,516	2,552	2,638	2,680
Surplus (deficit) of activities	48	177	67	69	71	76	83	92	100	110	120

5.8 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.

Proposed changes to levels of service

This Plan does not include any expansion of the existing kerbside refuse and recycling collection to communities where this service is not currently provided – we are seeking direction from the community. The focus over the next three years is to maintain existing levels of service taking into account projected population growth/decline and other demand factors.

It is anticipated that recovery of recyclable materials will 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 McLeans Landfill. Experience to date is that volumes of recyclables that are able to be sold on can be market driven.

Council holds consent for a separate demolition site for disposal of building material (instead of placing the material in existing or new landfill cells at McLeans landfill). There is no provision in this Plan to develop the separate site - the situation will be reviewed if demand increases significantly.

5.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
New landfill cell design and construction		168	4,721	-	-	-	-	-	-	-	-
Expand dry storage capacity at Mcleans landfill	224	-	-	-	-	-	-	-	-	-	-
Establish cleanfill site at Mcleans landfill	46	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	27	26	27	27	27	27	27	27	27	27	27
	297	194	4,748	27	27	27	27	27	27	27	27

Significant renewal projects

None signalled in this Plan.

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

The Activity Management Plan (AMP) shows no significant increase in demand based on population growth projections. We do expect a continuing decrease in the volume of waste going into the landfill and this could potentially prolong the life of the existing and future cells.

5.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard for the duration of their useful lives as provided for in the AMP. It is assumed that assets will be replaced at the end of their useful life, noting various factors can affect the service life of an asset.
- With the exception of landfill cells (which cannot continue to be used once full), where assets remain in service beyond their useful life they will be regularly assessed as to their condition to ensure they remain safe to use.

- The life of cells at McLeans landfill may be prolonged as waste minimisation initiatives and recycling continues.

Assumptions regarding 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
 - Grants from Waste Levies

5.11 Significant potential negative effects of this activity

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

6.1 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.

6.2 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, and recovery” and “get ready – get thru”.

6.3 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.

6.4 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 mobilise 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.

6.5 Key issues facing the activity

Civil Defence

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The on-going risk posed by extreme natural events, i.e. a major earthquake, flooding, rock falls, wild fires, land slips, other inundation, cyclones, tornados and tsunamis.	<ul style="list-style-type: none"> Maintain community and operational preparedness Ensure buildings identified for use during emergencies are structurally and otherwise capable of withstanding emergencies 	✓	✓	✓
Community apathy during periods of low emergency risk.	<ul style="list-style-type: none"> Continuing community education 	✓	✓	✓

Rural Fires

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Volunteer resources for rural fire services.	<ul style="list-style-type: none"> Maintain public commitment in the form of volunteer fire fighters 	✓	✓	✓

6.6 How we'll measure our performance

Civil Defence

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Training and preparation of our emergency management personnel in the event of an emergency	Minimum number of in-house/national training exercises participated in annually	2	2	2	2	No change
	Minimum % of personnel trained to CIMS 4 standard	79%	80%	85%	90%	↑
Greater public awareness and participation from the public to be better prepared for emergency situations	Minimum % of schools and pre-school organisations visited annually to deliver the "be better prepared" message	52%	80%	90%	95%	↑
	Relevant details and plans are posted on Council's website	Achieved	Achieved	Achieved	Achieved	No change
	Minimum % of residents who feel they are prepared to cope in an emergency	73%	80%	90%	95%	↑

Rural Fire

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 & 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Council provides an efficient and convenient rural fire service	For the Zone management by Council (Zone 4), Council meets National Rural Fire Authority requirements	Achieved	Achieved	Achieved	Achieved	No change
	Maximum time to process and issue new Fire Permits will be three working days and renewals will be one working day	Achieved	Achieved	Achieved	Achieved	No change
	Basic fact information provided on Council's website More detailed information is provided within 10 working days	Not achieved	Achieved	Achieved	Achieved	No change

6.7 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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	171	203	217	223	228	234	246	246	253	260	275
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	5	-	-	-	-	-	-	-	-	-	-
Fees and charges	16	6	6	6	7	7	7	7	7	8	8
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	192	209	223	229	235	241	253	253	260	268	283
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	112	124	126	130	134	137	142	145	151	155	162
Finance costs	4	17	17	18	18	19	18	18	17	17	16
Internal charges and overheads applied	61	59	60	61	63	65	67	69	71	74	76
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	177	200	203	209	215	221	227	232	239	246	254
Surplus (deficit) of operating funding [A - B]	15	9	20	20	20	20	26	21	21	22	29
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	21	(7)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	21	(7)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	36	2	15	15	15	15	20	15	15	15	22
—to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	36	2	15	15	15	15	20	15	15	15	22
Surplus (deficit) of capital funding [C - D]	(15)	(9)	(20)	(20)	(20)	(20)	(26)	(21)	(21)	(22)	(29)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	171	203	217	223	228	234	246	246	253	260	275
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	5	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	16	6	6	6	7	7	7	7	7	8	8
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	192	209	223	229	235	241	253	253	260	268	283
EXPENDITURE											
Staff costs	42	42	43	45	46	47	48	50	52	53	55
Operating & maintenance costs	70	82	83	85	88	90	94	95	99	102	107
Finance costs	4	17	17	18	18	19	18	18	17	17	16
Internal charges and overheads applied	61	59	60	61	63	65	67	69	71	74	76
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	15	11	12	12	12	13	13	13	14	14	15
Total expenditure	192	211	215	221	227	234	240	245	253	260	269
Surplus (deficit) of activities	-	(2)	8	8	8	7	13	8	7	8	14

6.8 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.

Proposed changes to levels of service

There are no proposed changes to existing levels of service over the life of this Plan.

6.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	36	2	15	15	15	15	20	15	15	15	22
	36	2	15	15	15	15	20	15	15	15	22

Significant renewal projects

None signalled in this Plan.

6.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

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

Assumptions regarding sources of funding for replacement of assets are:

- Asset renewals will primarily be funded from:
 - Rates
 - Special Reserve funds

- Penalties with respect to unpermitted fires

6.11 Significant potential negative effects of this activity

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

7.1 Activities included in this group

Environmental services include:

District Planning

- District Plan
- Policy
- Resource Management (land use)
- Monitoring

Building Control

As a Building Consent Authority Council carries out the following tasks:

- Building inspections and consenting
- Issue code of compliance certificates and notices to fix
- Investigation of complaints relating to building work and illegal buildings
- Issues compliance schedules
- Any other functions and duties specified in the Building Act 2004.

As a Territorial Authority Council carries out the following tasks:

- Performs functions relating to dangerous, earthquake prone or insanitary buildings
- Administration and audit of building warrants of fitness
- Investigation of building work related complaints where consents have not been issued
- Issues project information memorandum
- Grants exemptions under Schedule 1
- Issues certificates of acceptance
- Issues and amends compliance schedules
- Decides the extent to which buildings must comply with the building code when they're altered, are subject to a change of use, or their specified intended life changes
- Carries out any other functions and duties specified in the Building Act.

Other Regulation

- Council bylaws
- District Plan, Building Act and freedom camping compliance

Health Regulation

- Inspection and licensing of food premises under the Food Hygiene Regulations 1974 and the Food Act 2004
- Annual registration of offensive trades, camping grounds, hairdressers, funeral directors, mortuaries and mobile shops, together with other duties under the Health Act 1956
- Responding, investigating and reporting on noise complaints and other duties under the Resource Management Act 1991 and the District Plan
- Ensuring appropriate steps are in place to limit the impact of commercial or industrial noise and ensure compliance within the noise provisions of the District Plan
- Inspection of liquor premises (participation in stakeholder compliance visits), licensing of liquor premises, reporting to the Alcohol Regulatory and Licensing Authority (ARLA) and the Grey District Licensing Committee (DLA) and administering new applications or renewals of managers certificates

Dog/Stock Control

- Investigation of complaints about dogs including barking, wandering, menacing and dangerous dogs
- Enforcing legislation and Council's bylaws which govern where dogs are permitted; control of dogs on a leash and fencing of dogs within a property boundary
- Impounding wandering dogs and taking steps to identify the owner of the dog
- Maintaining a register of dogs generally and for those classified as menacing or dangerous
- Responding to wandering stock complaints

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.

7.2 Why we are involved in this activity/these activities

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

- The district 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.
- Other regulation 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.
- Health regulation services aim 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.
- The 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. Council undertakes this activity in accordance with its obligations under the Dog Control Act 1996 and Impounding Act 1955.

7.3 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

7.4 What we’ll provide

District 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.

Building Control

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.

Other Regulation

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 a dedicated compliance resource to ensure breaches of the Freedom Camping Act are actively monitored.
- Provide an after-hours 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.

Health Regulation

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.
- Inspection and licensing of liquor premises and reporting to the Alcohol Regulatory and Licensing Authority (ARLA) and the District Licensing Agency (DLA).

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

Dog/Stock 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.

7.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The District Plan is approaching its ten year review. Council will be able to alleviate any issues faced in the current plan that are now irrelevant or not suited to the current environment.	<ul style="list-style-type: none"> The review will begin in 2015 and will allow for an increase in the effectiveness of the District Plan 	✓		
The District Plan is a permissive plan and allows for subdivision to be economically viable. An increased number of subdivisions in Rural environments has been noted and it is thought there are still a large number of properties which have great potential for this type of subdivision around the District.	<ul style="list-style-type: none"> Council will actively monitor the situation 	✓		
<p>New or changing legislation and policies from central government continually shape many of the functions within the Environmental Services activities, e.g.</p> <ul style="list-style-type: none"> National Environmental Standards and National Policy Standards – a number of these are due to be introduced in early 2015 which will increase the scope of assessment criteria by the Council regarding land use activity and subdivisions Resource Management Act – changes likely to be passed in 2015 are designed to streamline the resource consenting process by putting emphasis on applicants to provide better quality information 	<ul style="list-style-type: none"> Make changes to policies, the District Plan and bylaws as required Assess levels of service as required 	✓	✓	✓
The requirement for commercial and public buildings throughout the District to comply with existing and any new legislation arising from the Canterbury earthquakes.	<ul style="list-style-type: none"> Council is actively monitoring the situation Make changes to policies and bylaws as required to comply with new legislation on earthquake prone buildings 	✓		
Amenity management issues.	<ul style="list-style-type: none"> Council needs to have appropriate regulations and procedures in place 	✓		
The requirement for specialist skills in areas such as planning, building and compliance to competently fulfill the tasks of this group of activities.	<ul style="list-style-type: none"> Council needs to adequately manage its retention and recruitment of technical staff 	✓	✓	✓
Climate change may require greater compliance activities for the Building Consenting Authority.	<ul style="list-style-type: none"> Council will monitor the situation and response to necessary changes as required. 	✓	✓	✓
The Food Act 1981 is to be superseded by the Food Act 2014 and this new Act changes the focus of Council compliance activity.	<ul style="list-style-type: none"> Regulation have yet to be determined by Central Government, therefore the exact impact on Councils requirement for service delivery is yet to be determined Council will actively monitor this situation 	✓		

7.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Council is efficiently processing information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	85%	100%	100%	100%	No change
	% of non-notified land use consents processed within 20 working days	100%	100%	100%	100%	No change
	% of building consents and Code of Compliance Certificates issued with statutory time limits	100%	100%	100%	100%	No change
	% of building inspection undertaken at agreed times	99%	95%	95%	95%	No change
We are ensuring that buildings within the District are safe and meet national quality standards	Required % 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%	No change
	Grey District Council maintains accreditation as a building consent authority	Achieved	Achieved	Achieved	Achieved	No change
A safer District is being provided for by promoting responsible dog ownership and monitoring food and liquor premises	% of known dogs registered by August each year	96%	95%	95%	95%	No change
	% food premises inspected each year	100%	100%	100%	100%	No change
	% of premises requesting new and renewed liquor licences that are inspected	100%	100%	100%	100%	No change
We are responding to service requests in a timely manner	% of after-hours noise and animal control complaints responded to within two hours	100%	95%	95%	95%	No change
	% of complaints about breaches of bylaws and District Plan rules are responded to within five working days	100%	95%	95%	95%	No change
We will recover actual and reasonable costs as necessary	Minimum % recovery of actual and reasonable costs for consent applications	52%	80%	80%	80%	No change
	Minimum % recovery of actual and reasonable costs for enforcement related activities	52%	80%	80%	80%	No change
Our District Plan is effective in	% of land use consents issued since 2005 are monitored for	As required	20%	23%	25%	↑

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
developing and maintaining sustainable development and a satisfactory environment	compliance with conditions					
	The District Plan is reviewed and updated in line with agreed programme	Programme on hold	Programme developed	In line with programme	In line with programme	No change
	% of residents satisfied with Council's regulation of land use throughout the District	49%	60%	60%	60%	No change
<i>Iwi</i> are consulted on all new policies, bylaws, District Plan changes and notified resource consents	Required % of new policies, bylaws, DP changes and notified resource consents that have involved <i>Iwi</i> consultation	Not required	100%	100%	100%	No change

7.7 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 District wide so the balance of activity costs are funded from general rates.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	862	819	829	852	871	892	921	960	980	1,000	1,033
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	928	958	982	1,008	1,035	1,065	1,097	1,131	1,168	1,208	1,251
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	58	64	66	67	69	71	73	76	78	81	84
Total operating funding [A]	1,848	1,841	1,877	1,927	1,975	2,028	2,091	2,167	2,226	2,289	2,368
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	329	320	329	337	346	355	367	379	390	405	419
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,497	1,489	1,517	1,555	1,600	1,645	1,698	1,743	1,812	1,862	1,929
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,826	1,809	1,846	1,892	1,946	2,000	2,065	2,122	2,202	2,267	2,348
Surplus (deficit) of operating funding [A - B]	22	32	31	35	29	28	26	45	24	22	20
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	44	44	46	47	48	49	51	52	54	56	58
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	44	44	46	47	48	49	51	52	54	56	58
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	6	6	7	118	7	7	7	133	8	8	8
Increase (decrease) in reserves	60	70	70	(36)	70	70	70	(36)	70	70	70
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	66	76	77	82	77	77	77	97	78	78	78
Surplus (deficit) of capital funding [C - D]	(22)	(32)	(31)	(35)	(29)	(28)	(26)	(45)	(24)	(22)	(20)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	862	819	829	852	871	892	921	960	980	1,000	1,033
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	928	958	982	1,008	1,035	1,065	1,097	1,131	1,168	1,208	1,251
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	102	108	112	114	117	120	124	128	132	137	142
Total revenue	1,892	1,885	1,923	1,974	2,023	2,077	2,142	2,219	2,280	2,345	2,426
EXPENDITURE											
Staff costs	10	10	11	11	11	11	12	12	13	13	13
Operating & maintenance costs	319	310	318	326	335	344	355	367	377	392	406
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,497	1,489	1,517	1,555	1,600	1,645	1,698	1,743	1,812	1,862	1,929
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	39	39	40	42	43	44	45	47	48	50	52
Total expenditure	1,865	1,848	1,886	1,934	1,989	2,044	2,110	2,169	2,250	2,317	2,400
Surplus (deficit) of activities	27	37	37	40	34	33	32	50	30	28	26

7.8 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.

Proposed changes to levels of service

There are no proposed changes to existing levels of service over the life of this plan. However it needs to be noted that new or changing legislation and policies from central government continually shape many of the functions within the Environmental Services activities which may have an impact on future levels of service.

7.9 Significant expenditure

Significant capital expenditure

None signalled in this Plan.

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle replacements		-	-	112	-	-	-	125	-	-	-
General renewals	6	6	7	6	7	7	7	8	8	8	8
	6	6	7	118	7	7	7	133	8	8	8

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

None are specifically provided for during the life of this Plan.

7.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Nil

7.11 Significant potential negative effects of this activity

- 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.
- Local government regulatory functions are subject to change and central government has strongly voiced a desire to review legislation in order to ensure that it supports the country's economic development focus. The Productivity Commission has released a report which highlights the

opportunities that exist within the regulatory arena to streamline areas of central and local government processes.

- Review of the Resource Management Act 1991, Earthquake Prone Building Policy, implementation of the Food Act 2014 and a focus on Risk based consenting (Buildings) are all projects that the Government are supporting and finalising.
- Any and all changes by central government to legislation that is administered by Council may have an impact on service delivery targets and the ability of Council to adequately resource this service.
- There is an assumption that due to the current Building Act review, the number of building consent applications and site inspections will reduce, which may also lead to less processing time. Until the Ministry of Business, Innovation and Employment (MBIE) finalise and implement the proposed changes to the Building Act (i.e. Amendment Bills No. 3 and 4) and the Earthquake Prone Building Policy, it's difficult to establish the full extent of the consequences at this time.

8 Other transport

8.1 Activities included in this group

Other transport includes:

Greymouth Aerodrome

- The aerodrome, 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; and
- Management of the land portfolio in the form of land leases and rights to occupy.

Parking

- The provision of parking; and
- Regulating the use of parking.

Port of Greymouth

- Managing the Port, the breakwaters, wharves and the slipway.
- Managing the navigation safety function.
- Managing the land holding portfolio.

8.2 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 aerodrome is an important strategic asset. It 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. St John's Ambulance and Land Search & Rescue both have headquarters located on the aerodrome site.
- 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.

- The ownership of the Port was transferred to Council as part of the 1989 Local Government Reorganisation. 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 two firms.

8.3 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.

8.4 What we'll provide

Greymouth Aerodrome

We will:

- Manage and maintain all aspects of the aerodrome so they are safe and convenient to use.
- Manage the aerodrome land portfolio responsibly and to maximise fair revenue 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

Council will provide a Port service on a minimalistic basis with its main focus being on maintaining practicable Navigation Safety. As part of this, Council will, amongst others:

- Maintain a Slipway allowing for limited, non-polluting activities until such time as the Port is to be dredged next (2016/2017).
- Maintain a cargo on and offloading facility along Richmond Quay on the basis that the users will be responsible for securing associated Resource Consents and certification as necessary.
- Provide berthing facilities for fishing vessels noting that the usable wharves are owned by Westfleet or Talley and that Council berths are limited and the facilities are generally old. This may include allocating berths alongside Richmond Quay.
- Manage the Port land holding with a view to maximizing revenue for the Port through land sales or land leases in line with agreed leases.

8.5 Key issues facing the activity

Airport

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Maintenance and growing the use of the aerodrome, including promotion as a location for related service industries and recreational air activities.	<ul style="list-style-type: none"> Council will maintain the aerodrome to the best of its ability within existing budgets in consultation with the community Council will promote the use of the aerodrome to different user groups Utilise accurate recording systems to efficiently fees from aerodrome users Reseal of the runway is planned in years 11-30 	✓	✓	
Promotion of the aerodrome as a viable air passenger transport option.	<ul style="list-style-type: none"> Council will promote the use of the aerodrome to different user groups 	✓		
Increasing Civil Aviation Authority (CAA) compliance costs for the aerodrome. Security may need to be enhanced if CAA requirements increase, however this may only be needed if a commercial air passenger service is reinstated.	<ul style="list-style-type: none"> Council will actively monitor the situation 	✓		

Port of Greymouth

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Financial sustainability of the Port. In spite of the fact that Council is committing rates to assist the Port account (currently \$38,000 per annum), the annual shortfall remains substantial and the Port debt level is increasing significantly. By June 2015 the total Port debt is expected to be \$1.85 million.	<ul style="list-style-type: none"> Council will investigate and implement a financial solution in consultation with the fishing industry and wider community. The focus will be on bringing industry contributions at least on par with the value of rate input. The solution may include a Joint Venture arrangement. Funding will be by a combination of rate input and industry contribution sufficient to fund annual funding shortfalls Expenditure will be kept at an absolute minimum. This will determine the standard of services available to users. Please also refer to the following section, 'outcome of community consultation' 	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Proposed health and safety reforms place a greater emphasis on Council's duty of care/responsibility to avoid risk of harm to staff, users and visitors.</p> <p>The bar is known to be dangerous and Council as a "Person Conducting a Business or Undertaking "(PCBU) will have to be seen to introduce controls that will make movement over the bar as safe as possible.</p> <p>The Port is also old and run-down, which will make compliance with responsibilities challenging. Council will have to re-think a number of public activities in the Port area, i.e. whitebaiting, which will be most difficult to manage under the new Health and Safety Act.</p>	<ul style="list-style-type: none"> The current acting Port Manager will stand down during this Plan. This, together with the apparent need for a Harbourmaster, provides the opportunity to combine the two roles. There are financial implications to this A comprehensive Port Safety Plan will be developed in consultation with users and the general public with due provision for the retention of long-standing practices, i.e. whitebaiting from rocks alongside the river and fishing from wharves insofar that this is at all possible. 	✓	✓	✓
<p>The introduction of larger vessels into the Port will create the need for more deep water berthage, which implies more dredging. This is an expensive exercise.</p>	<ul style="list-style-type: none"> Council will investigate and implement a financial solution in consultation with the fishing industry and wider community 	✓	✓	✓
<p>Deferred maintenance over many years, notably failing backwalls, represents a potentially significant expenditure in spite of the privatisation focus.</p>	<ul style="list-style-type: none"> Council will investigate and implement potential solutions in consultation with users within financial limitations with its preference being that any overflow of vessels that cannot be berthed in an existing Council berth or alongside a Talley's or Westfleet wharf, be berthed in the river alongside Richmond Quay 		✓	✓

Please also refer to PART C: Council's Financial Strategy for additional information on this activity.

Parking

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>The Council is due to adopt a Masterplan for the Greymouth CBD in July 2015. At the time of writing this Plan, outcomes from the project are unknown, e.g.:</p> <ul style="list-style-type: none"> Proposed requirement for new parking Where will the funding come from for these works Funding for maintenance of new assets 	<ul style="list-style-type: none"> Council has made available \$1 million for the Greymouth CBD Renewal Project provisional on approval of the Masterplan in July 2015 	✓		
<p>Ensuring users park in consideration to other users and adhere to special needs parking.</p>	<ul style="list-style-type: none"> Continued education of users Providing a parking warden service to ensure rules are complied with 	✓	✓	✓
<p>Having sufficient land available to maintain existing parking and increase capacity as needed.</p>	<ul style="list-style-type: none"> Council will actively monitor the situation 	✓	✓	✓

Options for community consultation

As part of the community consultation we undertook on the Draft Plan, the following information on options for material issues and the implications was provided for community feedback. The option chosen by the community, adopted by Council and included in the Final Plan is in red.

ISSUE	OPTION	IMPLICATIONS	COST
Financial sustainability of the Port.	1 Status quo, i.e. continue with current rate funding input of \$38,000 per annum	<ul style="list-style-type: none"> Existing levels of service are maintained Revenue is not sufficient to cover Port operating costs Council will need to continue to borrow for operating costs which means Port debt levels will keep climbing 	No immediate cost implications for ratepayers, however to borrow money for operational costs is not prudent and eventually Council will need to increase financial input towards Port running costs while carrying the burden of increased Port debt
Financial sustainability of the Port.	2 Moderate rates increase from year 1 and increase in Port user fees	<ul style="list-style-type: none"> Existing levels of service are maintained Allows for new Port Manager/Harbourmaster position to be filled following Acting Port Manager retirement and potential changes under health and safety legislation Debt levels will eventually level off then start to decline (i.e. repayment of debt) 	<ul style="list-style-type: none"> 0.6% rates increase per annum in years 1 to 3 then 0.3% rate increase per annum from year 4 onwards Increase of 15% in Port user fees
Financial sustainability of the Port.	3 Combined increased industry contribution and rate increase from year 1 <i>(Council's preferred option)</i>	<ul style="list-style-type: none"> Increasing Port tariffs only to make up the total shortfall is not sustainable - the fishing industry will be approached to make a collective annual contribution at least on par with the total ratepayer input Existing levels of service are maintained Allows for new Port Manager/Harbourmaster position to be filled following Acting Port Manager retirement and potential changes under health and safety legislation This will see debt levels stabilise and decline sooner 	<ul style="list-style-type: none"> Increased financial contribution from the fishing industry 0.3% rates increase per annum from year 1 Increase of 15% in Port user fees

8.6 How we'll measure our performance

Aerodrome

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
The provision of a safe service	Meet Civil Aviation Authority requirements for the aerodrome	Achieved	Achieved	Achieved	Achieved	No change
Customer satisfaction	% of residents are satisfied that the aerodrome is run efficiently	42%	45%	50%	55%	↑
	Basic information provided on Council's website More detailed information is provided within 10 working days of request	Not achieved	Achieved	Achieved	Achieved	No change
Financial sustainability 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) ⁹	146%	100%	100%	100%	No change

Parking

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
The maintenance, safety, convenience & accessibility of 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	Achieved	Achieved	Achieved	Achieved	No change
Customer satisfaction	% of residents are satisfied with the availability of public parking	79%	75%	80%	80%	↑
Sustainability of the service for the future	Development of and implementation of a parking strategy for the CBD and environs with key stakeholders	To be investigated as part of the CBD Renewal Project	To be investigated as part of the CBD Renewal Project	To be investigated as part of the CBD Renewal Project	To be investigated as part of the CBD Renewal Project	No change

⁹ 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

Port of Greymouth

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Financial sustainability	Port deficit/surplus as percentage of turnover	New measure	-25%	-10%	Nil	↑
	User fees received as a ration of ratepayer input	New measure	70%	100%	100%	↑
Accessibility of the service	Certification standard of Richmond Quay pad wharf	New measure	20 tonnes	20 tonnes	20 tonnes	No change
	Frequency of depth sounding of Port access/bar	New measure	2 monthly	2 monthly	2 monthly	No change

8.7 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 maximised.
- Landing fees recovered from actual users at market competitive rates.

General rates

- General benefit available District wide by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.
- The aerodrome is 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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	267	309	353	398	444	490	537	583	631	676	728
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	440	444	476	515	556	600	618	637	658	680	705
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	31	31	32	33	33	34	35	36	38	39	40
Total operating funding [A]	738	784	861	946	1,033	1,124	1,190	1,256	1,327	1,395	1,473
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	594	609	1,108	631	615	649	642	673	711	714	782
Finance costs	128	114	132	182	218	239	247	249	249	246	241
Internal charges and overheads applied	218	239	246	253	260	268	275	284	294	304	315
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	940	962	1,486	1,066	1,093	1,156	1,164	1,206	1,254	1,264	1,338
Surplus (deficit) of operating funding [A - B]	(202)	(178)	(625)	(120)	(60)	(32)	26	50	73	131	135
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(3)	221	690	432	173	126	24	2	(43)	(78)	(112)
Gross proceeds from sale of assets	68	20	20	20	20	20	20	20	20	20	20
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	65	241	710	452	193	146	44	22	(23)	(58)	(92)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	33	3	44	269	69	71	3	3	4	449	4
Increase (decrease) in reserves	(170)	60	41	63	64	43	67	69	46	(376)	39
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	(137)	63	85	332	133	114	70	72	50	73	43
Surplus (deficit) of capital funding [C - D]	202	178	625	120	60	32	(26)	(50)	(73)	(131)	(135)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	267	309	353	398	444	490	537	583	631	676	728
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	440	444	476	515	556	600	618	637	658	680	705
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	119	51	52	53	53	54	55	56	58	59	60
Total revenue	826	804	881	966	1,053	1,144	1,210	1,276	1,347	1,415	1,493
EXPENDITURE											
Staff costs	163	154	210	215	221	227	234	242	249	258	267
Operating & maintenance costs	431	455	898	416	394	422	408	431	462	456	515
Finance costs	128	114	132	182	218	239	247	249	249	246	241
Internal charges and overheads applied	218	239	246	253	260	268	275	284	294	304	315
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	281	283	288	296	301	308	321	328	335	352	361
Total expenditure	1,221	1,245	1,774	1,362	1,394	1,464	1,485	1,534	1,589	1,616	1,699
Surplus (deficit) of activities	(395)	(441)	(893)	(396)	(341)	(320)	(275)	(258)	(242)	(201)	(206)

8.8 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.

Proposed changes to levels of service

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

Port

In the case of the Port, Council has to make some decisions on the financial viability of the Port in consultation with the fishing industry and wider community. Council may also have to appoint a Port Manager/Harbourmaster under proposed health and safety reforms. Otherwise the focus will remain on care and availability with associated service delivery on a minimalistic basis. Other proposed changes to levels of service include:

- The Acting Port Manager is due to retire and from July 2016 the Port will be under management of a Port Manager who will also act as Harbourmaster.
- The slipway will formally close when the next dredging of the lagoon is to occur in 2016/2017.
- The land adjacent to Westfleet up to the river will be sold to Westfleet in 2015, resulting in the loss of Council access to two emergency deep water berths.
- In year 15, Council will stop dredging the western berthages and will concentrate on dredging only the eastern berthages.

8.9 Significant expenditure

Significant capital expenditure

None signalled in this Plan.

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Port beacon/light replacements	-	-	41	-	65	-	-	-	-	-	-
Port - backwall replacement (wharf)	-	-	-	266	-	-	-	-	-	-	-
Port - resealing of access to berthages	-	-	-	-	-	67	-	-	-	-	-
Aerodrome - runway light replacement	-	-	-	-	-	-	-	-	-	446	-
General renewals	33	3	3	3	4	4	3	3	4	3	4
	33	3	44	269	69	71	3	3	4	449	4

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

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

8.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard per the AMPs for the duration of their useful lives. Where assets remain in service beyond their useful life, they will be regularly assessed as to their condition to ensure they remain safe to use.

Assumptions regarding 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
 - Land lease rentals
 - User charges
 - Fines

Port

Port as a whole

- Council will, in consultation with the fishing industry, implement measures to address the financial sustainability of the Port as soon as affordable. This will provide for the maintenance of assets.

Assumptions regarding specific assets are as follows.

Slipway:

- The slipway will formally close when the next dredging of the lagoon is to occur in 2016/2017. Until such time, the focus will be on safety and legal compliance. The cost of compliance with Health and Safety responsibilities associated with the use of the Slipway including accessibility to the slipway will, as far as possible, be recovered from users. The slipway will remain

unfenced and Council will deal with its responsibilities by means of appropriate signage. Only low environmental impact activities will be accommodated on the slipway until it closes.

Breakwaters:

- The breakwaters will be maintained at a cost of circa \$30,000 p.a. as a cost against the Port and that will ensure its existence into the future.

Training walls:

- The western end of the training walls has been reinstated which will ensure the walls into the future with no further expenditure other than periodic maintenance.

Navigation safety:

- The beacons, with normal maintenance, will be functional into the future for at least 30 years. It is assumed that legal compliance requirements for such facilities will remain unchanged into the future.
- The blue warning will be replaced in 2015/16 and will have a life of 15 years.
- The lagoon will be dredged to a depth of 3 m in 2016/2017. It is expected that the dredging methodology may change.

Wharf in the river (Richmond Quay):

- The “pad” will continue to be certified for use by users for as long as required. The fertilizer company or shipper will continue to secure Resource Consents for their activities.
- The cranes will be moved off the wharf by December 2015. The wharf it sits on together with its associated bollards and deadmen will be re-certified and fendered but, because of depth limitations, it will be used as a fishing vessel tie-up area. This may be contentious for fishermen as vessel security in the river is difficult to guarantee.

Wharf in the Lagoon (Martin’s Quay):

- The land and wharf alongside Westfleet leading right up to the river will be sold to Westfleet in 2015. This will include two emergency deep water berths reducing Council’s availability of such berths. It will be partly reciprocated by Westfleet signing over the use of one of its existing wharves to Council. Council will not create more berths but rather insist that vessels tie up in the river alongside Richmond Quay.
- Westfleet will build at least another 60 m of wharf which will see more vessels berth alongside industry owned wharves. This may result in a lower expectation from Council but this remains to be seen.

Berths in the lagoon:

- The smaller vessels in the industry will be phased out over the next 15 years and the need will be for longer, deep water berthage alongside the eastern embankment. By year 15, Council will stop dredging the western berthages. As stated, the option of berthage alongside Westfleet and Talley's owned wharves may relieve the pressure on Council to provide more deep water berths.
- Council will not undertake any significant maintenance of the Packers Quay berths given it being discontinued as stated.

Land held

- Residential: The current arrangement whereby the land is leased in line with lease agreements will continue. Freeholding will continue to be encouraged.
- Commercial: The current arrangement whereby land is leased per lease agreements will continue. Further freeholding/sale will take place.
- Other land held: Non-strategic land will be sold where possible

Port management

- The potentially significant impact of the proposed Health and Safety at Work Act together with the retirement of the current Acting Port Manager will result in a Port Manager/Harbourmaster being appointed on 1 July 2016.

8.11 Significant potential negative effects of this activity

Greymouth Aerodrome

- 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

- Environmental effects:
 - Noise: It is a 24 hour operation and there is a potential of noise especially at night.
 - Odours: The smell of fish is generally prevalent.
 - Water Pollution: There is an ongoing risk of oil spills and various other forms of water pollution.
 - Risk to life: The bar is known to be unpredictable, if not dangerous.
- Emissions to air. The cargo activity (fertilizer and gravel) has the ability to create dust. However it will be managed in terms of the RMA.
- Financial: The Port is capital intensive well beyond what user fees can pay for. It will require significant rates and industry input for a long time.

9 Property and housing

9.1 Activities included in this group

This includes:

Retirement Housing

- Maintaining and managing occupation of 118 units.
- Pro-active provision of further retirement housing units.

Property

- A land leasehold portfolio consisting of 54 residential leases and 35 commercial leases.
- A building portfolio involving three leased buildings and the buildings supporting Council’s administrative function (Tainui St and Runanga service centre).
- Other buildings enabling the delivery of community services, e.g. ASB Civic Centre, Westland Recreation Centre (from 2016), History House, Women’s Centre and Left Bank Art Gallery.
- Unused Council land consisting of various titles across the District.
- Management of leases with Mawhera Incorporating regarding land leased by Council.

9.2 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 maximise revenue for the benefit of all residents.

9.3 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. 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.

9.4 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 maximise revenue and occupation for the benefit of all residents.

9.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Maintaining a viable applicant waiting list for Council's retirement housing units.	<ul style="list-style-type: none"> Council will apply the applicant's criteria set in its Rental Housing Policy 	✓	✓	✓
Settling on-going lease and rental disputes and provide for a clear and secure process into the future.	<ul style="list-style-type: none"> Council will develop a fair and well define for settling lease/rental disputes Council will continue to actively monitor the situation 	✓	✓	✓
The impact of compliance with Council's Earthquake Compliance Policy on buildings leased or occupied by Council.	<ul style="list-style-type: none"> Upgrade Council buildings to achieve compliance with Council's Earthquake Prone Buildings Policy – note Council has not budgeted for any upgrades in this Plan Council will actively monitor the situation 	✓		
The unavailability of a freeholding option in relation to Mawhera Incorporation land occupied by Council and the resultant inability to predict rent increases.	<ul style="list-style-type: none"> Council will actively monitor the situation Council will maintain a close relationship with Mawhera and incorporate upcoming rent increases into budgets where possible 	✓	✓	✓

9.6 How we'll measure our performance

Property

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
The provision of a safe service	Building Authority requirements are met	Achieved	Achieved	Achieved	Achieved	No change
Sustainability of facilities and services 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)	77%	80%	82%	85%	↑

Retirement Housing

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
An affordable, well maintained and efficient retirement housing service is provided	Achievement of minimum percentage of occupancy rates	96%	95%	95%	95%	No change
	Retention of the 0800 24 hours contact service for emergency repairs and maintenance (e.g. water breaks etc.)	Achieved	Achieved	Achieved	Achieved	No change
	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	No change
	Rent levels set annually below market rates	Achieved	Achieved	Achieved	Achieved	No change
	Details of service is provided on Council's website	Achieved	Achieved	Achieved	Achieved	No change
Assessment of future need housing units	Undertaking an annual review on the need for more housing units	Not achieved	Achieved	Achieved	Achieved	No change

9.7 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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	813	812	832	854	877	902	930	958	990	1,024	1,060
Internal charges and overheads recovered	269	260	267	274	282	290	299	308	319	330	342
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	1,082	1,072	1,099	1,128	1,159	1,192	1,229	1,266	1,309	1,354	1,402
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	781	675	692	711	730	751	775	799	827	857	887
Finance costs	79	60	58	55	52	47	40	33	25	16	11
Internal charges and overheads applied	189	173	177	181	187	193	199	205	213	220	229
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,049	908	927	947	969	991	1,014	1,037	1,065	1,093	1,127
Surplus (deficit) of operating funding [A - B]	33	164	172	181	190	201	215	229	244	261	275
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	78	(77)	(81)	(85)	(91)	(97)	(104)	(111)	(119)	(128)	(5)
Gross proceeds from sale of assets	122	100	100	100	100	100	100	100	100	100	100
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	200	23	19	15	9	3	(4)	(11)	(19)	(28)	95
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	94	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	9	54	55	57	58	60	62	64	66	68	70
Increase (decrease) in reserves	130	133	136	139	141	144	149	154	159	165	300
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	233	187	191	196	199	204	211	218	225	233	370
Surplus (deficit) of capital funding [C - D]	(33)	(164)	(172)	(181)	(190)	(201)	(215)	(229)	(244)	(261)	(275)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	813	812	832	854	877	902	930	958	990	1,024	1,060
Internal charges and overheads recovered	269	260	267	274	282	290	299	308	319	330	342
Other revenue	122	100	100	100	100	100	100	100	100	100	100
Total revenue	1,204	1,172	1,199	1,228	1,259	1,292	1,329	1,366	1,409	1,454	1,502
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	781	675	692	711	730	751	775	799	827	857	887
Finance costs	79	60	58	55	52	47	40	33	25	16	11
Internal charges and overheads applied	189	173	177	181	187	193	199	205	213	220	229
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	227	380	380	398	398	398	430	430	430	471	471
Total expenditure	1,276	1,288	1,307	1,345	1,367	1,389	1,444	1,467	1,495	1,564	1,598
Surplus (deficit) of activities	(72)	(116)	(108)	(117)	(108)	(97)	(115)	(101)	(86)	(110)	(96)

9.8 How we manage our assets that support this activity

Building assets are managed in accordance with Asset Management Plans (AMPs), 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 seven 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.

Proposed changes to levels of service

None are specifically provided for during the life of this Plan.

9.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	94	-	-	-	-	-	-	-	-	-	-
	94	-	-	-	-	-	-	-	-	-	-

Significant Renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals	9	54	55	57	58	60	62	64	66	68	70
	9	54	55	57	58	60	62	64	66	68	70

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

Nil

9.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

- Assets will perform to the required standard per the AMPs for the duration of its useful lives. Where assets remain in service beyond their useful life, their condition will be regularly assessed to ensure they remain safe to use.

Assumptions regarding 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
 - Grants

9.11 Significant negative effects of this activity

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.

Buildings that remain earthquake prone may create a disincentive for their occupancy and use.

10 Community facilities

10.1 Activities included in this group

Community facilities include:

Libraries

- Greymouth Library (including Pioneer Library)
- Runanga Library

Swimming Pools

- Greymouth Aquatic Centre
- Spring Creek Pool, Runanga

Heritage, Arts & Culture

- History House
- Financial support to other Arts, Culture and Heritage bodies

Indoor Sport Centres

- The proposed Westland Recreation Centre
- Civic Centre

Cemeteries

- 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
- Dunganville Cemetery (not maintained)
- Notown Cemetery
- Napoleon’s Hill Cemetery (not maintained)
- Interment (burial) services
- Application and pre-purchase of burial plots

- Cemetery records

Parks and Tracks

- Parks
- Playgrounds
- Walking tracks
- Other open areas accessible to the public

Council’s In-house task force

Public restrooms

- Ten public toilets, some with other facilities

10.2 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.

10.3 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, they 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, they provide a community with an identity and a sense of belonging.

10.4 What we'll provide

Libraries

We will:

- Maintain library services:
 - Grey District Library – open five and a half days per week with late night opening on one night per week
 - Runanga Library – open three days per week
- Continue to provide access for members and visitors to:
 - printed resources including adult fiction, adult non-fiction, large print, children's and teen fiction and non-fiction books
 - electronic books
 - talking books
 - DVDs
 - graphic novels
 - reference books
 - magazines and newspapers
 - a local history collection, the Pioneer Library
- Free internet access, software access and WiFi capability to members and visitors via the Aotearoa People's Network Kaharoa (APNK).
- Provide a range of activities to develop and foster literacy skills including regular storytime, collaborating with local schools on an annual summer reading programme and other initiatives to promote a love of reading.
- Provide a book delivery service to housebound customers, inter-library loans and collaborate with neighbouring Districts on reciprocal borrowing programmes.
- Provide access to digital literacy training to enhance the ability of the community to participate in the digital world.

Swimming Pools

We will:

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

Heritage, Arts and Culture

We will:

- Maintain History House as a Museum open to the public six days per through summer and reduced hours during winter for as long as the facility can be sustained.
- Provide an attractive historic museum facility containing material which is relevant to the cultural heritage of the Grey District, as part of a national identity, which celebrates the resilience of West Coasters. The History House museum is publicly accessible and its collection is stored with consideration to aspects of compliance with the relevant acts.
- 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 Westland 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 Westland Recreation Centre as part of a Recreational Hub as a high quality facility and will, in the process, seek to maximise efficiencies by optimising cooperation with other sporting bodies that form part of the hub.
- Provide access to the Westland Recreation Centre on a seven days per week basis throughout the year (with closure on some statutory holidays only and from time to 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 and Tracks

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:

- Maintain Council property and public spaces that are not included in our contracts.

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.

Community Grants

Council takes an interest in making sure that other arts and culture facilities are sustainable and does this through advocacy, cooperation and financial support. Council provides financial grants to:

- Grey Heritage Trust
- Regent Theatre
- Art in the Park
- West Coast Society of the Arts

These grants/financial assistance is reviewed on an annual basis and continuation is subject to the satisfactory delivery of key performance indicators.

10.5 Key issues and options facing the activities

Libraries

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Council needs to provide a more contemporary digital library experience for the Grey District community.	<ul style="list-style-type: none"> Council has budgeted for the implementation of an updated library management system (Kotui) in year 1 Update the Library website and Facebook presence Review the Runanga library service and update as necessary (this is currently an entirely manual service with no internet connection) 	✓		
Plan for the establishment of the proposed Discovery Centre-Innovation Hub.	<ul style="list-style-type: none"> The Grey District Library and History House Museum staff will work closely together on this concept in the coming year Develop a strategy to ensure there is no duplication between the History House collection and the Pioneer Library/West Coast Library collections at the Grey District Library 	✓		
By 2026 the Library will form part of the Grey District Council Discovery Centre-Innovation Hub.	<ul style="list-style-type: none"> Council will need multi-skilled staff with expertise in areas such as Library, retail, museum or heritage display and environment 		✓	
Ensure the Grey District Library, Runanga Library and History House Museum staff are used to maximum efficiency.	<ul style="list-style-type: none"> Explore opportunities to utilise the staffing resource across the libraries and museum to improve coverage for the opening hours of both services 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 need for improved display facilities for community groups to utilise and provide opportunities to highlight their activities and interests to the wider community.	<ul style="list-style-type: none"> Library staff to investigate 	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Development of a digital literacy training programme, in collaboration with education partners, to ensure members of the community have the skills necessary to live and work in the digital age.	<ul style="list-style-type: none"> Seek feedback from the community on areas of need in using computers and participating in the online world In partnership with WestREAP, develop a programme of digital literacy classes available from the Grey District Library Enhance the digital literacy training programme with presentations at the Library on relevant topics 	✓		

Swimming Pools

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
The interrelationship between the Greymouth Aquatic Centre and the proposed Westland Recreation Centre will need to be determined once the latter is completed.	<ul style="list-style-type: none"> The focus will be on maximising efficiencies 	✓		
The sagging beams legal dispute at Greymouth Aquatic Centre.	<ul style="list-style-type: none"> An out-of-court settlement has been reached and remedial works are due to take place in the 2015/2016 year. 	✓		

Please also refer to PART C: Council’s Financial Strategy for additional information on this activity.

Heritage, Arts & Culture

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
History House Collection storage, care and management: Large numbers of volunteer hours are required to collate and scan 20,000 photographic images, literature, documents, art and artefacts etc.	<ul style="list-style-type: none"> Recruitment, retention, and management of History House volunteers has begun in the last 18 months 	✓		
Deterioration of vulnerable material in the History House collection due to exposure to humidity and light.	<ul style="list-style-type: none"> This is being addressed with the use of several dehumidifiers and movement of items to more protected areas 	✓		
Uncertainty about potential relocation of the museum collection from year 5 onwards. A period of uncertainty was experienced as Council looked into relocating the collection but has granted a temporary four year reprieve for the current facility. However, this remains a concern for effective long-term planning.	<ul style="list-style-type: none"> The viability of incorporating History House into another site will be further explored and any final decision will be taken only after public consultation 	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Limited staffing/funding resources. Current budgets allow for one FTE staff member only.	<ul style="list-style-type: none"> Council and staff are investigating all avenues to secure the continued growth of the museum, raising the profile of the facility and using volunteer input and philanthropy wherever possible Staff to investigate the provision of online access to collection to increase revenue 	✓		
History House museum building/service provision, i.e.: <ul style="list-style-type: none"> Upgrade requirements to the History House building under earthquake prone building legislation Improved/expanded storage Inclusion of cultural taonga (treasures) in collection Increased IT services for staff and visitors (e.g. public internet access, DVD library, connection to Council network) 	<ul style="list-style-type: none"> Council has already tied down (secured) potentially dangerous elements of the building (e.g. parapets) Council needs to make a decision on the long term future of the building and the location of the museum service and collection once more investigation has been undertaken 	✓		

Indoor Sport Centres

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Construction of the proposed Westland Recreation Centre.	<ul style="list-style-type: none"> Construction started in early 2015 and the new facility is expected to be complete near the end of 2016 	✓		
The proposed Westland Recreation Centre will render the Civic Centre largely superfluous.	<ul style="list-style-type: none"> 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

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>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) during the life of this plan and will be closed.</p> <p>This will leave Gladstone Memorial Park Cemetery as the District Cemetery. This cemetery has capacity sufficient for the life of this plan and beyond - based on projected levels of interment, it is predicted to reach full capacity around the year 2100.</p>	<ul style="list-style-type: none"> Council will endeavour to maximise the capacity of existing cemeteries to ensure they remain open for as long as possible Council will continue to develop Gladstone Memorial Park into a District Cemetery and to close existing decentralised cemeteries as they become fully occupied Where cemeteries have reached capacity, Council will consider designating the closed cemetery as an Archaeological site Before year 2100 a new burial site will be made operational for the District, including gaining all necessary consents (based on the assumption is burials in the ground will still be an available option or a preferred choice in the future) 	✓		
<p>An ageing demographic has been identified and it is likely that the number of deaths will increase into the future. This trend currently is more prevalent in metropolitan centers but may also occur in provincial areas such as the Grey District.</p>	<ul style="list-style-type: none"> 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 	✓		

Parks and Tracks

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>A review of the number of parks and open spaces currently maintained by Council, with a view to potentially reducing the number.</p>	<ul style="list-style-type: none"> Council will undertake a review and consult with the public on any decision to reduce the number of parks and open spaces it currently maintains 	✓		
<p>Interest in creating new walking and cycling tracks, in particular a cycling hub concept located in the central Greymouth area.</p>	<ul style="list-style-type: none"> Council will consult on interest in new facilities in conjunction with the overall review of existing parks and tracks. 	✓		

In-House Task Force

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>The demand on this service is increasing forcing us to prioritise tasks and requests. This may impact on coverage into the future.</p>	<ul style="list-style-type: none"> Council is closely monitoring the situation 	✓		

Public Restrooms

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Growth in tourism is expected to create a greater demand for public toilets.	<ul style="list-style-type: none"> Council is closely monitoring the situation Two new toilets are being installed at the Cobden Breakwaters 	✓		

10.6 How we'll measure our performance

Libraries

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of residents are satisfied with service	81%	80%	80%	80%	No change
	No more than 10 complaints per year	Achieved	Achieved	Achieved	Achieved	No change
Community participation and engagement with the service	Number of outreach literacy learning and educational programmes delivered annually e.g. story-time, Summer Reading Challenge, housebound deliveries, adult education programmes	170	175	180	185	↑
	% of residents who are members of the Library	New measure (71%)	73%	75%	77%	↑
Availability, accessibility and quality of the library service	The Grey District Library is open at least one late night per week and on Saturday mornings	Achieved	Achieved	Achieved	Achieved	No change
	Opening hours and available services posted on the Library's website	Achieved	Achieved	Achieved	Achieved	No change
	An on-line service is provided to allow members to browse the library catalogue (both printed and electronic) and make collection reservations	Achieved	Achieved	Achieved	Achieved	No change
	% of material less than ten years old (note: excludes the Pioneer Library)	New measure (84%)	85%	85%	85%	No change
	Retain free public internet access for New Zealand citizens	Achieved	Achieved	Achieved	Achieved	No change
	Increased number of WIFI connections annually within Grey District Library and vicinity	New measure (19,922)	20,000	22,000	24,000	↑

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
	Increased traffic to Library website	New measure	5%	5%	5%	-
Developing the library collection and building our local identity	% of new items acquired each year for the Pioneer and West Coast collections	New measure	0.5%	0.5%	0.5%	No change
	% of new items acquired each year – New Zealand material or written by New Zealand authors	New measure	2%	3%	5%	↑
	Number of digitised items added to Kete West Coast each year	New measure	15	20	25	↑

Swimming Pools

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
A safe service is provided	% compliance with the NZ Water Quality Standards	100%	100%	100%	100%	No change
	Lifeguards are trained to the NZ national standard	Achieved	Achieved	Achieved	Achieved	No change
Customer satisfaction	% of residents are satisfied with service	75%	75%	75%	75%	No change
Availability, accessibility and quality of the service	Number of users annually - Greymouth	89,884	90,000	90,000	90,000	No change
	Number of users annually - Runanga	1,448	1,000	1,000	1,000	No change
	Service availability: <ul style="list-style-type: none"> Greymouth: seven days a week Runanga: seven days a week during the swim season 	Achieved	Achieved	Achieved	Achieved	No change
	Admission fees and opening hours are posted on Council's website	Achieved	Achieved	Achieved	Achieved	No change
	Number of Swim School registrations per term	376	380	380	380	No change
	Minimum total swims per capita (national per capita swim averages is 5.5)	6.5	6.5	6.5	6.5	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Management of potential adverse effects on the environment	No Resource Consent infringements for the coal fired boiler	Achieved	Achieved	Achieved	Achieved	No change

History House

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of users that are satisfied with the service <i>Note in 2014/2015 this measure was "% of residents that are satisfied with the service)</i>	41%	70%	70%	70%	No change
	No complaints received	New measure	Achieved	Achieved	Achieved	No change
Our response to customer requests	Customer enquiries are responded to within three days	New measure	Achieved	Achieved	Achieved	No change
	Requests for research are appropriate recorded, actioned and material is provided in a timely manner	New measure	Achieved	Achieved	Achieved	No change
Availability, accessibility and quality of the service	Facilities are accessible six days per week	Not achieved <i>(previous measure was 7 days a week)</i>	Achieved	Achieved	Achieved	No change
	New displays prepared each year	New measure	2	2	2	No change
	Informative rack cards and flyers are provided and distributed to tourist locations annually as required	New measure	Achieved	Achieved	Achieved	No change
	Number of publications and/or promotion articles prepared for public consumption each year, locally or nationally	New measure	4	4	4	No change

Civic Centre/Westland Recreation Centre

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of users that are satisfied with the service <i>Note in 2014/2015 this measure was "% of residents that are satisfied with the service)</i>	49%	70%	70%	70%	No change
Availability, accessibility and quality of the service	The Civic Centre and the eventual Westland Recreation Centre will be available for use seven days a week	Achieved	Achieved	Achieved	Achieved	No change
	Details of facilities and charges are available on Council's website	Achieved	Achieved	Achieved	Achieved	No change

Cemeteries

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Available capacity for burials	Review three yearly the availability of land in District cemeteries relative to the number of people likely to be buried* <i>* Refer discussion above. Certain cemeteries will not be further expanded once full.</i>	Achieved	Achieved	Achieved	Achieved	No change
Availability of on-line cemetery records	On-line register updated with each new interment	Not available	To be developed	Achieved	Achieved	↑
Environmental effects	Maximum number of resource consent breaches to show the facilities are managed without adversely affecting the receiving environment	Nil	Nil	Nil	Nil	No change

Parks and Tracks

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Customer satisfaction	% of residents are satisfied with the service	90%	80%	80%	80%	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	Target Trend
Promotion of the service	Publicly available information brochures on walking tracks and key parks in our District are available This information is included on our website	Achieved	Achieved	Achieved	Achieved	No change

10.7 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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	2,675	2,728	2,833	2,920	3,017	3,116	3,207	3,326	3,431	3,552	3,684
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	112	30	31	32	33	34	35	36	37	38	39
Fees and charges	661	646	1,322	1,352	1,388	1,429	1,472	1,517	1,567	1,620	1,679
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	14	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	3,462	3,404	4,186	4,304	4,438	4,579	4,714	4,879	5,035	5,210	5,402
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,847	2,657	3,199	3,284	3,378	3,480	3,587	3,702	3,829	3,965	4,112
Finance costs	298	302	410	406	399	389	363	334	303	270	235
Internal charges and overheads applied	472	479	530	547	561	572	582	609	624	647	669
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	3,617	3,438	4,139	4,237	4,338	4,441	4,532	4,645	4,756	4,882	5,016
Surplus (deficit) of operating funding [A - B]	(155)	(34)	47	67	100	138	182	234	279	328	386
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	6,400	6,471	400	400	400	400	400	400	400	400	400
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,606	(66)	1,482	(334)	(352)	(374)	(401)	(430)	(460)	(489)	(524)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	8,006	6,405	1,882	66	48	26	(1)	(30)	(60)	(89)	(124)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	8,837	7,222	1,849	7	7	50	7	7	8	8	8
—to replace existing assets	142	96	140	148	158	174	191	249	228	248	271
Increase (decrease) in reserves	(1,128)	(947)	(60)	(22)	(17)	(60)	(17)	(52)	(17)	(17)	(17)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	7,851	6,371	1,929	133	148	164	181	204	219	239	262
Surplus (deficit) of capital funding [C - D]	155	34	(47)	(67)	(100)	(138)	(182)	(234)	(279)	(328)	(386)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	2,675	2,728	2,833	2,920	3,017	3,116	3,207	3,326	3,431	3,552	3,684
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	6,512	6,501	431	432	433	434	435	436	437	438	439
User charges and regulatory revenue (consent fees, infringements etc...)	661	646	1,322	1,352	1,388	1,429	1,472	1,517	1,567	1,620	1,679
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other revenue	14	-	-	-	-	-	-	-	-	-	-
Total revenue	9,862	9,875	4,586	4,704	4,838	4,979	5,114	5,279	5,435	5,610	5,802
EXPENDITURE											
Staff costs	987	1,070	1,315	1,349	1,386	1,426	1,469	1,514	1,564	1,617	1,676
Operating & maintenance costs	1,860	1,587	1,884	1,935	1,992	2,054	2,118	2,188	2,265	2,348	2,436
Finance costs	298	302	410	406	399	389	363	334	303	270	235
Internal charges and overheads applied	472	479	530	547	561	572	582	609	624	647	669
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	861	740	850	886	892	899	961	968	976	1,054	1,064
Total expenditure	4,478	4,178	4,989	5,123	5,230	5,340	5,493	5,613	5,732	5,936	6,080
Surplus (deficit) of activities	5,384	5,697	(403)	(419)	(392)	(361)	(379)	(334)	(297)	(326)	(278)

10.8 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.

Proposed changes to levels of service

The focus over the next three years is to maintain existing levels of service taking into account projected population growth/decline and other demand factors, except where specifically noted below.

It is planned to implement an updated library management system and a 'discovery' layer called "Kotui" into the Greymouth libraries. This is not a proposed change to the *level* of service provided but will greatly *enhance* the services currently provided to customers.

10.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Westland Recreation Centre		6,000	1,800	-	-	-	-	-	-	-	-
CBD Renewal projects		1,000	-	-	-	-	-	-	-	-	-
New Toilet - Northern Breakwater/Cobden Eco-sanctuary		216	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	8,837	6	49	7	7	50	7	7	8	8	8
	8,837	7,222	1,849	7	7	50	7	7	8	8	8

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals	142	96	140	148	158	174	191	249	228	248	271
	142	96	140	148	158	174	191	249	228	248	271

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

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

10.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Assumptions regarding the life of assets include:

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

Assumptions regarding 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

10.11 Significant potential negative effects of this activity**Libraries, swimming pools, heritage, indoor sport centres, Council's In-house task force and public restrooms**

Nil

Parks and Tracks

- Potential of littering and illegal dumping of waste by users.
- Ongoing direct or indirect general rate input is required which could be used for other needs
- Potential to become a target location for undesirable social acts, threatening or criminal behaviour, vandalism, property damage and fire.

Cemeteries

- Discharge of contaminants to land and/or water.
- Health and safety risks to employees/operators/contractors and users (exposure and/or handling of hazardous materials, high pressure, trench collapse).
- Public land/property/space not available for other uses.

Public Restrooms

- Potential to become a target location for undesirable social acts, threatening or criminal behaviour, vandalism, property damage and fire.

11 Democracy and administration

11.1 Activities included in this group

Democracy and administration includes:

- Council
- Public consultation
- Council’s Administration
- Economic development

11.2 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. A vital 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.

Council is involved with economic development to ensure a strategic and grassroots approach has been developed to increase the number of businesses and create jobs, by increasing our population and visitors to the District.

The Community Economic Development Strategy focusses on the idea that ‘jobs follow people’ and has projects and actions that are aimed at improving the quality of life in the District. The Strategy has goals related to visitor numbers, new jobs and business units, but also measures population, pride of place and if the Grey District is a great place to live.

The Strategy allows Council to focus on the issues of concern that the community can control, while keeping a watchful eye on those issues of concern which are not within its control. It also provides opportunities for the elected representatives and members of the wider community to take the lead and use their skills and talents to make difference within a strategic context, and not work in isolation.

11.3 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.
Building identity	To grow confidence and pride through a strongly defined and positive identity that is built from the grassroots and encourages collaboration.

11.4 What we’ll provide

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.
- Facilitate and advocate for our community to lead the projects identified in the Community Economic Development Strategy.
- Endeavour to leverage synergies associated with projects in the Community Economic Development Strategy and Council activities.
- Provide a Framework and matched funding for signage, interpretation and public art initiatives.
- Provide guidelines for using the brand intellectual property for both the District and Council facilities.
- Facilitate the development of the CBD Master Plan in conjunction with the community and stakeholders, which will provide the guidelines for revitalisation of the CBD.
- 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.

11.5 Key issues facing the activity

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
With the ever changing legislative environment, the workload on Council remains high.	<ul style="list-style-type: none"> Council will actively monitor the situation 	✓		
The ability to recruit staff in key specialist positions will remain an issue and the smaller size of the Administration will continue to demand a higher input from individual staff members which may impact on staff retention.	<ul style="list-style-type: none"> Council will actively monitor the situation 	✓		
Projects identified and prioritised by the community in the Community Economic Development Strategy impact on and have interdependencies with the other activities of Council.	<ul style="list-style-type: none"> Council will actively communicate with all parties and look to find cross-overs to maximise efficiencies 	✓	✓	✓
While Council has funded the development of the Masterplan for the CBD of Greymouth, the resulting projects have not been funded yet.	<ul style="list-style-type: none"> Council will evaluate current reserves and expected land sales as a source of funding Council will make approaches and applications for external funding Council will approach private sector for possible joint ventures 	✓	✓	✓

11.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				Performance Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	84%	85%	85%	85%	No change
	% of residents are satisfied with the information they receive from Council	New measure (85%)	85%	85%	85%	No change
	% of residents are satisfied with the performance of Mayor and Councillors	83%	85%	85%	85%	No change
Transparency, accountability and accessibility to the public	Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum	Achieved	Achieved	Achieved	Achieved	No change
	Minimum % of Council business conducted in open	85%	>80%	>80%	>80%	No change

What we're measuring	How we'll measure	Target				Performance Trend
		Current Performance (2014/2015)	Year 1 (2015/2016)	Years 2 – 3 (2016/2017 – 2017/2018)	Years 4 – 10 (2018/2019 to 2024/2025)	
	% of residents are satisfied that Council consults with them residents on important issues	62%	90%	90%	90%	No change
Co-operation with other agencies	Full participation in West Coast Mayors/Chairs and CEO meetings	100%	100%	100%	100%	No change
	Full participation in Grey DC/DOC liaison quarterly meetings	100%	100%	100%	100%	No change
Engagement with our partners and the wider community	Review the Community Economic Development Strategy on an annual basis	Achieved	Achieved	Achieved	Achieved	No change
	Monitor the goals outlined in the Community Economic Development Strategy on an annual basis	Achieved	Achieved	Achieved	Achieved	No change

11.7 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.

Funding impact statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,250	1,284	1,352	1,325	1,351	1,433	1,405	1,431	1,529	1,500	1,540
Targeted rates	263	266	273	280	287	296	304	314	324	335	347
Subsidies and grants for operating purposes	114	81	-	-	-	-	-	-	-	-	-
Fees and charges	84	72	105	76	78	114	83	85	125	91	94
Internal charges and overheads recovered	5,368	5,387	5,498	5,638	5,801	5,958	6,150	6,328	6,573	6,742	6,975
Local authorities fuel tax, fines, infringement fees, & other receipts	462	620	676	676	695	723	750	773	799	820	863
Total operating funding [A]	7,541	7,710	7,904	7,995	8,212	8,524	8,692	8,931	9,350	9,488	9,819
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	5,423	5,589	5,506	5,545	5,695	5,972	6,093	6,222	6,548	6,645	6,884
Finance costs	9	1	1	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,650	1,714	1,729	1,767	1,814	1,870	1,937	1,974	2,049	2,106	2,180
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	7,082	7,304	7,236	7,312	7,509	7,842	8,030	8,196	8,597	8,751	9,064
Surplus (deficit) of operating funding [A - B]	459	406	668	683	703	682	662	735	753	737	755
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(20)	(4)	(4)	(4)	(4)	-	-	-	-	-	-
Gross proceeds from sale of assets	-	1	1	1	1	1	1	1	1	1	1
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(20)	(3)	(3)	(3)	(3)	1	1	1	1	1	1
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	3	3	3	3	3	3	4	4	4	4	4
—to replace existing assets	156	133	204	257	357	215	187	288	403	206	174
Increase (decrease) in reserves	280	267	458	420	340	465	472	444	347	528	578
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	439	403	665	680	700	683	663	736	754	738	756
Surplus (deficit) of capital funding [C - D]	(459)	(406)	(668)	(683)	(703)	(682)	(662)	(735)	(753)	(737)	(755)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

Profit and loss for group of activities

The previous *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 in PART C: Council's Financial Strategy.

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.

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE											
General rates, uniform annual general charges, rates penalties	1,250	1,284	1,352	1,325	1,351	1,433	1,405	1,431	1,529	1,500	1,540
Targeted rates (including targeted rates for water supply)	263	266	273	280	287	296	304	314	324	335	347
Subsidies and grants (operating and capital)	114	81	-	-	-	-	-	-	-	-	-
User charges and regulatory revenue (consent fees, infringements etc...)	84	72	105	76	78	114	83	85	125	91	94
Internal charges and overheads recovered	5,368	5,387	5,498	5,638	5,801	5,958	6,150	6,328	6,573	6,742	6,975
Other revenue	462	621	677	677	696	724	751	774	800	821	864
Total revenue	7,541	7,711	7,905	7,996	8,213	8,525	8,693	8,932	9,351	9,489	9,820
EXPENDITURE											
Staff costs	3,223	3,268	3,544	3,604	3,701	3,842	3,923	4,044	4,215	4,320	4,475
Operating & maintenance costs	2,200	2,321	1,962	1,941	1,994	2,130	2,170	2,178	2,333	2,325	2,409
Finance costs	9	1	1	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,650	1,714	1,729	1,767	1,814	1,870	1,937	1,974	2,049	2,106	2,180
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	404	218	223	229	235	242	249	257	266	275	284
Total expenditure	7,486	7,522	7,459	7,541	7,744	8,084	8,279	8,453	8,863	9,026	9,348
Surplus (deficit) of activities	55	189	446	455	469	441	414	479	488	463	472

11.8 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.

Proposed changes to levels of service

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

11.9 Significant expenditure

Significant capital expenditure

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	3	3	3	3	3	3	4	4	4	4	4
	3	3	3	3	3	3	4	4	4	4	4

Significant renewal projects

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle and plant item replacements	36	3	70	120	178	71	38	135	201	42	4
IT equipment replacements	104	111	113	116	119	123	127	131	135	139	144
General renewals	16	19	21	21	60	21	22	22	67	25	26
	156	133	204	257	357	215	187	288	403	206	174

Increase in level of service – significant projects

None signalled in this Plan.

Additional capacity

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

11.10 Key assumptions about the useful life of assets and the sources of funding for replacement

Nil

11.11 Significant potential negative effects of this activity (significant)

Nil

11.12 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.
- Council will continue to lead and facilitate economic development initiatives identified by the community and recognised these in a Strategy.

PART F: Council Finances & Rating Information

1 Introduction

1.1 Statement of responsibility

The forecast financial statements are prepared on assumptions and the best available information as to future events which the Council expects to take place as of June 2015. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

1.2 Authorisation for issue

This document was authorised for issue by Council on, and is dated, 8 June 2015.

1.3 Purpose for which this plan is prepared

This Grey District Council 2015-2025 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. The Council's Long Term Plan covers the period 1 July 2015 to 30 June 2025. It incorporates operating and capital expenditure for the period for the Council.

Year One of the plan represents Council's 2015/2016 Annual Plan, covering the period 1 July 2015 to 30 June 2016.

In this section financial information is provided at a summary level but more detailed information for each Activity and Group of Activities is included throughout the document.

1.4 Comparative information

The 2014/2015 comparative information is based on the 2014/2015 Annual Plan.

1.5 Cautionary note

The forecast financial statements are prospective financial information. Actual results are likely to vary from the information presented and the variations may be material. This prospective information should not be read other than for the purposes other than intended.

2 Key assumptions applied in the preparation of this Plan

The following sections sets out the key assumptions that Council has made that have an effect on the information contained in the Plan. The following section then assesses the risk of the assumptions being incorrect and potential impact on the Plan.

2.1 Price level adjustment

Price level adjustments for inflation have been allowed for all ten years of the 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:

	2016 LTP Year 1	2017 LTP Year 2	2018 LTP Year 3	2019 LTP Year 4	2020 LTP Year 5	2021 LTP Year 6	2022 LTP Year 7	2023 LTP Year 8	2024 LTP Year 9	2025 LTP Year 10
Earth-moving	1.80%	2.60%	2.40%	2.00%	2.10%	2.30%	2.40%	2.50%	2.90%	3.10%
Energy	3.50%	3.80%	3.90%	4.10%	4.30%	4.50%	4.70%	4.90%	5.10%	5.30%
Road	1.20%	1.40%	2.20%	2.40%	2.50%	2.70%	2.80%	3.00%	3.10%	3.30%
Staff	1.00%	2.50%	2.60%	2.70%	2.90%	3.00%	3.10%	3.30%	3.40%	3.60%
Water	4.70%	3.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.80%	4.00%	4.20%
Other	1.00%	2.50%	2.60%	2.70%	2.90%	3.00%	3.10%	3.30%	3.40%	3.60%

Inflation assumption per the above have been included on a line by line basis in operating budgets; with equivalents from 2014/2015 estimates used as the basis for calculating future years' expenditure items.

2.2 Growth forecasting

Growth has been allowed for at a rate determined by Council to be the most appropriate using information from Statistics New Zealand medium level population projections combined with our knowledge of current and planned development in the District. On this basis the Plan assumes that the District's population will remain **static**: estimated population of 13,371 people as at March 2013, an estimated population of 13,800 in 2021 to an estimated population of 13,650 by 2026. Therefore a growth rate of 0% has been assumed. Council is mindful that the West Coast also has a higher population of people aged 65 and over than the national average.

Within the 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 Plan.

2.3 Borrowing

Interest rates

Interest rates on borrowings are calculated on the following across the ten years of this Plan:

	2016 LTP Year 1	2017 LTP Year 2	2018 LTP Year 3	2019 LTP Year 4	2020 LTP Year 5	2021 LTP Year 6	2022 LTP Year 7	2023 LTP Year 8	2024 LTP Year 9	2025 LTP Year 10
Interest rates	6.00%	6.25%	6.50%	6.75%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

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 revenue levels have been set at sufficient levels to meet repayment terms. All debt (including Local Government Funding Agency (LGFA) and Westpac) is renewable.

2.4 Investments

Interest rates on investments are calculated at 4.0% p.a. across all years. This is based on the average return for investments placed in the market at the time of preparing this Plan.

2.5 Governance structure

It is assumed that the governance structure will remain in the state as anticipated by this Plan over the duration of this Plan.

2.6 Grants and subsidies

Council is assuming that grants and subsidies from Central Government will continue at their present level. Most significant of these are:

- New Zealand Transport Agency (NZTA) – The NZTA have reviewed their Funding Assistance Rates (FAR) and the Grey District Council subsidy rate will decrease from 62% to 57% over five years at 1% per year from year 1 of the Plan. The new subsidy rates as confirmed by NZTA have been included in this Plan. It is assumed that Council will deliver efficiencies to cover the cost of the decreasing subsidy over the first four years of the Plan and will review this on an annual basis. In year five, Council has assumed that a 1% increase in rates will be required to deliver a similar level of service provided previously. Council has not ruled out reducing the level of service provided, but as indicated, will review this on an annual basis.

- Council has applied for and obtained all available further Sanitary Works Subsidy Scheme (SWSS) subsidies from Central Government – no further subsidies are available.
- 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 Westland Recreation Centre, to be developed in the first three years of this Plan.
- Waste Levy fund.

2.7 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;
- It is assumed that there will be no restrictions on Council undertaking any of the services outlined in this Plan; and
- We particularly note the following:
 - There may be financial implications on Councils with the introduction of new health and safety legislation. The impact of this is not known and therefore not included in this Plan;
 - There are impending changes with the implementation of new regulations to the Resource Management Act and Building Act. As Council cannot assess the impact of the new legislation, it is assumed no significant changes to Council business; and
 - When the new Food Act 2014 comes fully into force, which will be 1 March 2016 at the latest, it will replace the Food Act 1981 and will involve a three year period for businesses to transition to the new rules. It is assumed that the new Act will only define a different manner of compliance and that this will not affect the current level of Council operations.

2.8 Assumptions as to activities undertaken and levels of service provided

Council is assuming that the range of activities that it has signalled to undertake will not change.

Council is assuming that the levels of service to which its activities are provided will not change, except as a consequence of planned expenditure programmes mentioned in this Plan. The reality is that any change to service level and/or activities undertaken may place the cost of existing funding requirements onto different sectors of the community and/or different communities in the District.

2.9 Activity Management Plans (AMPs)

Council is assuming that AMPs provide accurate assessments of the condition of assets and of the maintenance, renewal and capital expenditures required to achieve stated levels of service. The AMPs will be subject to continual update and a full review in 2017. Any changes will be incorporated into relative planning documents.

2.10 Fixed assets

Useful life

The Council has made a number of assumptions about the useful lives of its assets by assessing condition using the age, material and local knowledge. 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. Renewals and maintenance have currently been determined by assessing condition using the age, material and local knowledge. This may change once we have more accurate information following the completion of detailed condition assessments.

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.

2.11 Contract rates

Council is assuming that the re-tendering of major contracts will not result in cost increases other than those comparable to the rate of inflation included (as outlined above).

2.12 Resource consents

Council is assuming that the resource consents that it needs for delivery of the services outlined in this Plan will be obtained and granted with conditions that can be met within anticipated expenditure estimates.

2.13 Vesting assets

Based on historical information, it has been assumed there will be vesting of assets in Council during the life of this Plan. Council is aware of two potential cases: private water supply schemes at Nelson Creek and Kaiata Park. These potential schemes have not been included in the Plan. Please note the following with regards to vesting of assets:

- Usually beyond Council's control and their number and value are very difficult to predict;
- Being brand new, unlikely to impose any significant extra costs from those generated from current AMPs over the life of this Plan; and
- Council will consider each instance on a case by case basis and consult with the affected community if necessary.

2.14 General commitments and contingencies

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

2.15 Sustainable development

The Council has considered the sustainability of each of its services and activities in its preparation of the 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 Plan. The Council has developed balanced budgets that aim to respond to the needs of today's community in an affordable way, while funding long term projects so that future generations pay their fair share. Sustainable development of the District is significantly influenced through the Environmental Services group of activities, most notably the District Plan. Council has a significant role in the provision and operation of key infrastructure resulting from subsequent development.

2.16 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.

There is also potential for erosion as a result of climate change at our seaside communities such as Rapahoe, Cobden, Karoro and South Beach. As there is insufficient information on this matter to date to estimate the potential impact, the situation will be closely monitored as indicated in our Infrastructure Strategy.

2.17 Emissions trading scheme

This 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 F:[2][1] Price level adjustment above for the assumptions relating to price increases resultant from the introduction of an emissions trading scheme. Council is not planning on undertaking any additional activities that cost under the 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 Plan.

2.18 Natural disasters/resilience

It is assumed that there is a likelihood of one or more significant events occurring during the life of this Plan. Council has various resilience factors and financial resources in place to call upon if an event were to occur, including:

- LAPP;
- FA – NZTA (1:20);
- Disaster Recovery Fund; and
- Above ground insurance.

The budgets in the Plan do not include any provision for the implications of a natural disaster except for the Emergency Roading Budget.

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 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 Long Term 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 Plan has assumed zero growth, 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. 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 Long Term 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>The Plan forecasts new borrowing required of approximately \$ 11.3 million. Taking into consideration the recent changes in the finance market, Council is of the opinion that these debt levels are still moderate and, with the security Council can offer that suitable, financing facilities will be available.</p>
Interest rate return on investments	will be higher/lower than forecast	LOW	<p>Council does not directly rely on investment returns to deliver its services. A reduction in returns will have the greatest effect on special funds set aside for specific purposes.</p>
Grants and subsidies		LOW	<p>NZTA financial assistance for roading maintenance, renewal, and new capital works represent a significant portion of the activity revenue. The NZTA subsidy has been confirmed at the target of 57%, a reduction from 62%. There is certainty that the subsidy will reduce 1% per annum over the first five years of the Plan and then remain at 57% for the life of this Plan.</p>

FORECASTING ASSUMPTION	LEVEL OF UNCERTAINTY	RISK ASSESSMENT (LOW/MED/HIGH)	REASONING FOR ASSESSMENT
Governance structure	May change	LOW	Any potential changes involve an extensive consultation process - that gives Council, along with others, necessary time to adapt. It is assumed any changes would only be motivated if the community benefited.
Devolutions of responsibility	May occur	MED	It is assumed any potential additional responsibilities being passed on to local authorities will include appropriate funding mechanisms outside of rates.
Activity Management Plans (AMP)		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 2017. 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 Long Term 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.	MED	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 plan	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.
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	May occur	MED	No specific provision is included in this 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 Prospective statement of comprehensive revenue & expenditure

	Note	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
REVENUE												
Rates, excluding targeted water supply rates	1	12,511	13,045	13,611	13,991	14,519	15,081	15,569	16,242	16,872	17,384	18,064
Fees, charges, and targeted rates for water supply		5,788	5,826	6,759	6,990	7,288	7,604	7,862	8,090	8,393	8,656	8,974
Development and financial contributions		58	58	60	62	63	65	67	69	71	74	76
Subsidies and grants	2	11,851	10,844	4,106	4,127	3,974	4,003	4,038	4,140	4,253	4,372	4,504
Finance revenue		446	579	634	632	651	678	703	725	749	768	809
Other revenue	3	426	309	317	325	334	342	354	363	377	390	405
Other gains/(losses)	4	232	211	214	216	219	221	224	228	231	235	239
Total revenue	5	31,312	30,872	25,701	26,343	27,048	27,994	28,817	29,857	30,946	31,879	33,071
EXPENSES												
Employee expenses	6	4,425	4,545	5,123	5,224	5,365	5,554	5,686	5,862	6,092	6,262	6,487
Depreciation and amortisation expense	7	8,683	7,795	7,944	8,456	8,500	8,514	8,996	9,044	9,109	9,972	10,045
Other expenses	8	10,966	11,233	11,755	11,518	11,458	11,930	12,255	12,601	13,099	13,537	14,045
Finance costs	9	2,033	1,930	2,383	2,468	2,538	2,583	2,524	2,452	2,375	2,290	2,203
Other losses		-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	10	26,107	25,503	27,205	27,666	27,861	28,581	29,461	29,959	30,675	32,061	32,780
Net surplus/(deficit) before tax		5,205	5,369	(1,504)	(1,323)	(813)	(587)	(644)	(102)	271	(182)	291
Revenue tax expense		-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		5,205	5,369	(1,504)	(1,323)	(813)	(587)	(644)	(102)	271	(182)	291
OTHER COMPREHENSIVE REVENUE AND EXPENSES												
Movement in asset revaluation reserve		-	-	22,468	-	-	28,210	-	-	35,690	-	-
Total comprehensive Revenue and Expense		5,205	5,369	20,964	(1,323)	(813)	27,623	(644)	(102)	35,961	(182)	291

Note: The cost of service statements presented in PART E: Groups of Activities do not include 'Other Comprehensive Revenue and Expenditure'. 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 Prospective statement of changes in net assets/equity

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Equity at the beginning of the year	348,734	377,437	382,806	403,770	402,447	401,634	429,257	428,613	428,511	464,472	464,290
Total comprehensive revenue and expense	5,205	5,369	20,964	(1,323)	(813)	27,623	(644)	(102)	35,961	(182)	291
Balance at 30 June	353,939	382,806	403,770	402,447	401,634	429,257	428,613	428,511	464,472	464,290	464,581

Note: The opening balance for equity for 2015/2016 (year 1) does not match the closing equity balance for the current budget (2014/2015). This is because we have reforecast the opening balances for 2015/2016 based on more up to date information we currently have to hand. The total difference is \$24.4 million. The main reason for the difference is:

- When preparing 2014/2015 budgets, we forecast the total balance of revaluation reserves to be \$108.7 million by 30 June 2015. Based on actual results of the revaluations as at 30 June 2014, the actual balance is \$141.8 million, \$33.1 million higher.
- Liabilities \$3.7 million lower, including borrowings \$2.9 million lower, due to capital projects being delayed (notably Greymouth wastewater and Westland Recreation Centre).
- Property, plant and equipment \$15.4 million greater than originally forecast for 2014/2015. Considering the above mentioned revaluation reserve being \$33.1 million higher, this represents Council additions to property, plant and equipment being \$17.7 million lower than forecast for 2014/2015. This is due to a number of project delays, including Greymouth wastewater, Westland Recreation Centre and Water supply upgrades.

6 Prospective statement of financial position

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
ASSETS											
Current Assets											
Cash and cash equivalents	5,180	7,670	8,484	8,333	8,704	9,224	9,727	10,271	10,768	11,301	11,868
Recoverables from non-exchange transactions	4,108	3,380	2,292	2,479	2,557	2,618	2,685	2,752	2,873	2,953	3,067
Receivables from exchange transactions	-	198	205	206	210	215	220	224	229	233	240
Short-Term investments	5,808	4,668	5,197	5,079	5,240	5,647	6,100	6,332	6,643	6,988	7,849
Inventory	273	305	305	305	305	305	305	305	305	305	305
Non-current assets held for sale	685	-	-	-	-	-	-	-	-	-	-
	16,054	16,221	16,483	16,402	17,016	18,009	19,037	19,884	20,818	21,780	23,329
Non Current Assets											
Trade and other receivables	236	224	213	202	192	182	173	164	156	148	141
Property, plant and equipment	376,873	401,292	427,812	425,605	423,501	449,527	446,975	445,181	478,933	476,684	474,242
Intangible Assets	281	287	287	252	217	182	147	112	77	42	7
Term investments*	815	584	649	635	654	707	762	792	830	873	982
Investment property	-	3,531	3,583	3,462	3,341	3,491	3,370	3,249	3,431	3,310	3,189
	378,205	405,918	432,544	430,156	427,905	454,089	451,427	449,498	483,427	481,057	478,561
TOTAL ASSETS	394,259	422,139	449,027	446,558	444,921	472,098	470,464	469,382	504,245	502,837	501,890

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Prospective statement of financial position continued

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
LIABILITIES											
Current Liabilities											
Trade and other payables	4,195	4,171	3,613	2,945	2,896	2,985	3,036	3,189	3,311	3,419	3,504
Employee benefit liabilities	503	510	526	533	541	550	558	568	578	588	598
Deferred revenue	142	212	212	212	212	212	212	212	212	212	212
Borrowings	1,634	5,000	-	5,000	7,500	5,000	-	10,000	7,500	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	6,474	9,893	4,351	8,690	11,149	8,747	3,806	13,969	11,601	4,219	4,314
Non Current Liabilities											
Provisions	2,386	2,155	2,107	2,059	2,011	1,963	1,915	1,867	1,819	1,771	1,723
Employee benefit liabilities	424	428	432	436	440	444	448	452	457	462	467
Borrowings	31,036	26,857	38,367	32,926	29,687	31,687	35,682	24,583	25,896	32,095	30,805
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	33,846	29,440	40,906	35,421	32,138	34,094	38,045	26,902	28,172	34,328	32,995
TOTAL LIABILITIES	40,320	39,333	45,257	44,111	43,287	42,841	41,851	40,871	39,773	38,547	37,309
EQUITY											
Retained earnings	236,024	232,768	230,362	228,470	226,979	225,439	223,765	222,943	222,368	221,293	220,056
Special Funds	8,727	7,705	8,602	9,166	9,839	10,786	11,810	12,524	13,364	14,251	15,778
Trusts Bequests and Other Reserves	520	536	541	546	551	557	563	569	575	581	582
Revaluation reserve	108,668	141,797	164,265	164,265	164,265	192,475	192,475	192,475	228,165	228,165	228,165
Total equity attributable to the Council	353,939	382,806	403,770	402,447	401,634	429,257	428,613	428,511	464,472	464,290	464,581
TOTAL EQUITY AND LIABILITIES	394,259	422,139	449,027	446,558	444,921	472,098	470,464	469,382	504,245	502,837	501,890

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

7 Prospective statement of cash flows

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from rates revenue	14,636	15,129	15,754	16,261	16,924	17,600	18,230	18,967	19,689	20,319	21,104
Interest received	413	552	620	630	647	673	698	721	744	764	802
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Receipts from other revenue	15,707	15,709	10,873	10,186	10,097	10,308	10,506	10,785	11,139	11,455	11,838
Payments to suppliers and employees	(15,201)	(16,404)	(17,561)	(17,557)	(17,657)	(18,263)	(18,761)	(19,315)	(20,071)	(20,689)	(21,439)
Interest paid	(2,033)	(1,930)	(2,383)	(2,468)	(2,538)	(2,583)	(2,524)	(2,452)	(2,375)	(2,290)	(2,203)
Revenue tax paid (refund)	-	-	-	-	-	-	-	-	-	-	-
Goods and services tax (net)	248	41	34	(164)	(42)	(13)	(18)	1	(8)	(7)	(21)
Net cash from operating activities	13,770	13,097	7,337	6,888	7,431	7,722	8,131	8,707	9,118	9,552	10,081
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from sale of property, plant and equipment	190	121	121	121	121	121	121	121	121	121	121
Proceeds from investments	29,652	16,809	13,632	14,036	14,162	15,001	16,189	17,073	17,835	18,741	20,518
Purchase of property, plant and equipment	(18,587)	(16,815)	(12,562)	(6,850)	(6,261)	(6,365)	(6,237)	(6,925)	(7,203)	(7,452)	(7,374)
Acquisition of investments	(28,917)	(12,780)	(14,226)	(13,904)	(14,342)	(15,460)	(16,698)	(17,334)	(18,185)	(19,128)	(21,488)
Net cash from investing activities	(17,662)	(12,665)	(13,035)	(6,597)	(6,320)	(6,703)	(6,625)	(7,065)	(7,432)	(7,718)	(8,223)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	3,529	3,420	12,353	433	5,174	7,961	5,026	4	10,000	7,500	-
Repayment of borrowings	-	(1,362)	(5,841)	(875)	(5,914)	(8,460)	(6,029)	(1,102)	(11,189)	(8,801)	(1,291)
Net cash from financing activities	3,529	2,058	6,512	(442)	(740)	(499)	(1,003)	(1,098)	(1,189)	(1,301)	(1,291)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(363)	2,490	814	(151)	371	520	503	544	497	533	567
Cash, cash equivalents and bank overdrafts at the beginning of the year	5,543	5,180	7,670	8,484	8,333	8,704	9,224	9,727	10,271	10,768	11,301
Cash, cash equivalents and bank overdrafts at the end of the year	5,180	7,670	8,484	8,333	8,704	9,224	9,727	10,271	10,768	11,301	11,868

8 Notes to the prospective financial statements

8.1 Note 1: Budgeted rates revenue

Total rates (excluding targeted water supply rates)

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
GENERAL RATES											
General Rates - Uniform Annual General Charge	2,839	2,946	3,079	3,112	3,204	3,354	3,385	3,486	3,656	3,709	3,835
General Rates - set on land value	5,798	6,042	6,358	6,560	6,876	7,185	7,532	7,943	8,272	8,661	9,082
Total General Rates	8,637	8,988	9,437	9,672	10,080	10,539	10,917	11,429	11,928	12,370	12,917
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:											
Economic development	263	266	273	280	287	296	304	314	324	335	347
Refuse Collection	1,251	1,263	1,295	1,328	1,364	1,404	1,446	1,491	1,540	1,592	1,649
Sewerage Collection	2,217	2,385	2,463	2,568	2,645	2,699	2,759	2,865	2,937	2,944	3,008
PENALTIES											
Rate Penalties	143	143	143	143	143	143	143	143	143	143	143
Total rates, excluding targeted water supply rates	12,511	13,045	13,611	13,991	14,519	15,081	15,569	16,242	16,872	17,384	18,064

Total annual rates revenue

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Rates, excluding targeted water supply rates	12,511	13,045	13,611	13,991	14,519	15,081	15,569	16,242	16,872	17,384	18,064
Water Supplies	1,881	1,889	1,950	2,064	2,203	2,310	2,442	2,505	2,586	2,690	2,794
Water Meter Rates	226	228	234	240	246	253	261	269	278	287	298
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total annual rates revenue	14,618	15,162	15,795	16,295	16,968	17,644	18,272	19,016	19,736	20,361	21,156

Total rates remissions

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Rates on land where GDC is the ratepayer	366	380	396	409	426	443	459	478	496	512	532
Rate discounts	35	36	38	39	41	43	45	47	49	51	53
Rates remitted per Council policy	34	35	36	37	39	41	42	44	46	47	49
Total rates remitted	435	451	470	485	506	527	546	569	591	610	634

8.2 Note 2: Budgeted subsidies and grants

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
New Zealand Transport Agency subsidies	4,128	3,951	3,629	3,648	3,491	3,519	3,551	3,650	3,760	3,876	4,004
NZ Lottery Grants	-	750	-	-	-	-	-	-	-	-	-
Other grants and subsidies	7,723	6,143	477	479	483	484	487	490	493	496	500
Total subsidies and grants	11,851	10,844	4,106	4,127	3,974	4,003	4,038	4,140	4,253	4,372	4,504

8.3 Note 3: Budgeted other revenue

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Traffic and parking infringements	31	31	32	33	33	34	35	36	38	39	40
Petrol tax	201	172	176	181	185	191	197	203	209	216	224
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other	194	106	109	111	116	117	122	124	130	135	141
Total other revenue	426	309	317	325	334	342	354	363	377	390	405

8.4 Note 4: Budgeted other gains/(losses)

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Net gain (loss) of non-current assets held for sale	45	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	98	121	121	121	121	121	121	121	121	121	121
Assets Vested	89	90	93	95	98	100	103	107	110	114	118
Total other gains/(losses)	232	211	214	216	219	221	224	228	231	235	239

8.5 Note 5: Budgeted revenue by activity

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Land transport	7,117	6,928	6,680	6,779	6,708	6,873	7,052	7,307	7,587	7,884	8,209
Stormwater	753	940	991	996	1,154	1,207	1,328	1,450	1,547	1,642	1,772
Wastewater	2,326	2,509	2,591	2,700	2,780	2,838	2,902	3,013	3,089	3,102	3,171
Water Supply	3,213	2,398	2,198	2,318	2,464	2,578	2,719	2,790	2,881	2,994	3,110
Solid waste management	2,023	2,088	2,289	2,365	2,404	2,488	2,524	2,608	2,652	2,748	2,800
Emergency management	192	209	223	229	235	241	253	253	260	268	283
Environmental services	1,892	1,885	1,923	1,974	2,023	2,077	2,142	2,219	2,280	2,345	2,426
Other transport	826	804	881	966	1,053	1,144	1,210	1,276	1,347	1,415	1,493
Property and housing	1,204	1,172	1,199	1,228	1,259	1,292	1,329	1,366	1,409	1,454	1,502
Community facilities and events	9,862	9,875	4,586	4,704	4,838	4,979	5,114	5,279	5,435	5,610	5,802
Democracy and administration	7,541	7,711	7,905	7,996	8,213	8,525	8,693	8,932	9,351	9,489	9,820
Total activity revenue	36,949	36,519	31,466	32,255	33,131	34,242	35,266	36,493	37,838	38,951	40,388
<i>less Internal charges and overheads recovered</i>	<i>5,637</i>	<i>5,647</i>	<i>5,765</i>	<i>5,912</i>	<i>6,083</i>	<i>6,248</i>	<i>6,449</i>	<i>6,636</i>	<i>6,892</i>	<i>7,072</i>	<i>7,317</i>
Total Revenue	31,312	30,872	25,701	26,343	27,048	27,994	28,817	29,857	30,946	31,879	33,071

8.6 Note 6: Budgeted employee expenses

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Wages and salaries	4,419	4,318	4,867	4,963	5,096	5,276	5,402	5,569	5,787	5,949	6,163
Contributions to defined contribution plans	6	182	205	209	215	222	227	234	244	250	259
Increase/(decrease) in employee benefit liabilities	-	45	51	52	54	56	57	59	61	63	65
Total employee expenses	4,425	4,545	5,123	5,224	5,365	5,554	5,686	5,862	6,092	6,262	6,487

8.7 Note 7: Budgeted depreciation and amortisation expense

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Land transport	4,455	3,700	3,700	3,812	3,812	3,812	4,089	4,089	4,089	4,447	4,447
Stormwater	677	803	806	908	914	923	868	879	892	999	1,016
Wastewater	1,021	959	963	1,102	1,110	1,117	1,221	1,226	1,234	1,387	1,394
Water Supply	588	546	563	649	657	629	666	670	683	776	789
Solid waste management	115	116	119	122	126	129	133	137	142	147	152
Emergency management	15	11	12	12	12	13	13	13	14	14	15
Environmental services	39	39	40	42	43	44	45	47	48	50	52
Other transport	281	283	288	296	301	308	321	328	335	352	361
Property and housing	227	380	380	398	398	398	430	430	430	471	471
Community facilities and events	861	740	850	886	892	899	961	968	976	1,054	1,064
Democracy and administration	404	218	223	229	235	242	249	257	266	275	284
Total depreciation and amortisation	8,683	7,795	7,944	8,456	8,500	8,514	8,996	9,044	9,109	9,972	10,045

8.8 Note 8: Budgeted other expenses

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Fees to principal auditor											
Audit of financial statements	107	108	111	114	117	120	124	128	132	136	141
Long Term Plan (LTP) audit	36	-	-	40	-	-	45	-	-	50	-
Audit fee paid on behalf of West Coast Recreation Trust	2	-	-	-	-	-	-	-	-	-	-
Assets written off	-	-	-	-	-	-	-	-	-	-	-
Impairment of asset expense	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	25	26	27	28	29	30	31	32	33	34
Directors' fees	-	-	-	-	-	-	-	-	-	-	-
Grants & Donations	503	291	298	306	314	323	333	343	354	366	380
Movement in impairment of receivables	-	-	-	-	-	-	-	-	-	-	-
Movement in provision for financial guarantee	-	-	-	-	-	-	-	-	-	-	-
Insurance expenses	477	440	480	492	505	520	536	552	570	590	611
Loss on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Remuneration of elected members	249	257	263	270	277	285	294	303	313	323	335
Minimum lease payments under operating leases	284	341	337	346	355	365	376	388	401	414	429
Other operating expenses	9,308	9,771	10,240	9,923	9,862	10,288	10,517	10,856	11,297	11,625	12,115
Total other expenses	10,966	11,233	11,755	11,518	11,458	11,930	12,255	12,601	13,099	13,537	14,045

8.9 Note 9: Budgeted finance costs

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
INTEREST EXPENSE											
Interest on borrowings	2,033	1,930	2,383	2,468	2,538	2,583	2,524	2,452	2,375	2,290	2,203
FAIR VALUE (GAINS) / LOSSES ON DERIVATIVES											
Interest Rate Swap (fair value hedges)	-	-	-	-	-	-	-	-	-	-	-
Total finance costs	2,033	1,930	2,383	2,468	2,538	2,583	2,524	2,452	2,375	2,290	2,203

8.10 Note 10: Budgeted expenditure by activity

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
Land transport	7,002	6,535	6,578	6,755	6,598	6,668	7,021	7,103	7,194	7,649	7,757
Stormwater	1,125	1,329	1,338	1,421	1,396	1,425	1,391	1,419	1,454	1,575	1,612
Wastewater	3,017	2,975	3,047	3,260	3,327	3,406	3,552	3,585	3,634	3,840	3,885
Water Supply	2,107	2,108	2,155	2,320	2,339	2,363	2,454	2,491	2,551	2,712	2,769
Solid waste management	1,975	1,911	2,222	2,296	2,333	2,412	2,441	2,516	2,552	2,638	2,680
Emergency management	192	211	215	221	227	234	240	245	253	260	269
Environmental services	1,865	1,848	1,886	1,934	1,989	2,044	2,110	2,169	2,250	2,317	2,400
Other transport	1,221	1,245	1,774	1,362	1,394	1,464	1,485	1,534	1,589	1,616	1,699
Property and housing	1,276	1,288	1,307	1,345	1,367	1,389	1,444	1,467	1,495	1,564	1,598
Community facilities and events	4,478	4,178	4,989	5,123	5,230	5,340	5,493	5,613	5,732	5,936	6,080
Democracy and administration	7,486	7,522	7,459	7,541	7,744	8,084	8,279	8,453	8,863	9,026	9,348
Total activity expenditure	31,744	31,150	32,970	33,578	33,944	34,829	35,910	36,595	37,567	39,133	40,097
less Internal charges and overheads recovered	5,637	5,647	5,765	5,912	6,083	6,248	6,449	6,636	6,892	7,072	7,317
Total Expenditure	26,107	25,503	27,205	27,666	27,861	28,581	29,461	29,959	30,675	32,061	32,780

9 Statement of movement in Council special funds (reserve funds)

Reserve	Activities to which the reserve relates	Opening Balance 1 July 2015 \$000	Transfers to Reserve 2015/16 - 2024/25 (Deposits) \$000	Transfers from Reserve 2015/16 - 2024/25 (Withdrawals) \$000	Closing Balance 30 June 2025 \$000
SPECIAL FUNDS					
Greymouth Sewerage Fund	Wastewater	1,099	-	(1,099)	-
Te Kinga Infrastructure Upgrade Reserve	All activities	81	45	-	126
Rural Sewerage Capital Works Reserve	Wastewater	253	140	-	393
Cobden Stormwater Mitigation Reserve	Stormwater	46	25	-	71
Barrytown Area Infrastructure Reserve	All activities	89	49	-	138
Atarau Area Infrastructure Reserve	All activities	4	2	-	6
Ahaura Area Infrastructure Reserve	All activities	162	90	-	252
Haupiri Area Infrastructure Reserve	All activities	166	92	-	258
Nelson Creek Infrastructure Reserve	All activities	15	8	-	23
Ngahere Infrastructure Reserve	All activities	169	94	-	263
Runanga Area Infrastructure Reserve	All activities	594	286	(110)	770
Kaiata Stillwater Area Infrastructure Reserve	All activities	157	87	-	244
Karoro Infrastructure Development Reserve	All activities	545	302	-	847
South Beach/Paroa Infrastructure Reserve	All activities	363	201	-	564
Camerons Infrastructure Reserve	All activities	43	24	-	67
Gladstone Infrastructure Reserve	All activities	192	106	-	298
Arnold Valley Area Infrastructure Reserve	All activities	92	51	-	143
Lake Brunner Area Infrastructure Reserve	All activities	186	103	-	289
Hohonu Area Infrastructure Reserve	All activities	43	24	-	67
Infrastructure Renewal Reserve	All activities	329	1,144	(1,396)	77
Flood Protection Reserve	Stormwater/Flood protection	101	46	(18)	129
Cemetery Extension Reserve	Cemeteries	43	24	-	67
Cemetery Maintenance Reserve	Cemeteries	255	173	(86)	342
Footpath Reserve	Land transport	56	31	-	87
Roading Reserve	Land transport	344	3,397	(320)	3,425
Land Fill Reserve	Solid waste management	-	126	-	126
Airport Maintenance Reserve	Airport	142	1,004	(552)	594
Disaster Recovery Reserve	All activities	1,732	960	-	2,692
Civil Defence Reserve	Emergency management	31	17	-	48
Rural Fire Authority Reserve	Rural fire authority	106	59	-	165

Reserve	Activities to which the reserve relates	Opening Balance 1 July 2015 \$000	Transfers to Reserve 2015/16 - 2024/25 (Deposits) \$000	Transfers from Reserve 2015/16 - 2024/25 (Withdrawals) \$000	Closing Balance 30 June 2025 \$000
Economic Development Reserve	All activities	155	40	(110)	85
Harbour Endowment Land Sales Reserve	Port	-	-	-	-
Land Sale Reserve	All activities	506	59	(400)	165
Reserves Subdivision Contributions	Community facilities and parks	30	463	(300)	193
Maori Land Compensation Reserve	Council property	190	63	(166)	87
Town Clock Reserve	Community facilities and parks	20	11	-	31
Gas Management Plan Reserve	Council property	15	8	-	23
District Planning Reserve	District planning	55	30	-	85
Plant and Machinery Reserve	All activities	325	1,439	(1,048)	716
Building & Property Gen Reserve	Council property	26	1,415	(631)	810
Corp Equip and Furniture Reserve	Council administration	195	406	(318)	283
Staff Costs Reserve	Council administration	8	43	-	51
Sunshine Coach Reserve	Council administration	6	3	-	9
Rental Housing Reserve	Retirement housing	156	513	-	669
Library Reserve	Libraries	37	-	(37)	-
Total special funds		9,162	13,203	(6,591)	15,778
TRUSTS AND BEQUESTS					
McGlashan Trust	Community facilities and parks	9	5	-	14
E White Bequest	Community facilities and parks	35	19	-	54
Mayoral Flood Relief Fund	Democracy	7	4	-	11
Citizens Emergency Relief Fund	Democracy	63	35	-	98
Perotti Bequest	Community facilities and parks	12	7	-	19
Peters Bequest - Talking Books	Libraries	21	7	(20)	8
Vera Corbett Bequest	Libraries	28	16	-	44
Reserve Board Equity	Community facilities and parks	334	-	-	334
Total trusts and bequests		509	93	(20)	582
TOTAL SPECIAL FUNDS AND TRUSTS/BEQUESTS		9,671	13,296	(6,611)	16,360

9.1 Special fund purposes

SPECIAL FUNDS	
Greymouth Sewerage Fund	To fund the wider Greymouth Area Sewerage Scheme.
Te Kinga Infra Upgrade Reserve	To fund land transport, water, and/or wastewater infrastructure upgrades required in the Te Kinga area.
Rural Sewerage Capital Works Reserve	To fund enhancement and development sewerage schemes other than the Greymouth Area scheme.
Cobden Stormwater Mitigation Reserve	To fund enhancement of stormwater management in Cobden.
Barrytown Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Atarau Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ahaura Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Hauptiri Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ngahere Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Blackball Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Runanga Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Kaiata Stillwater Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro/Gladstone Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro Infrastructure Development Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
South Beach/Paroa Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Camerons Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Gladstone Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Arnold Valley Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Lake Brunner Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Hohonu Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Infra Renewal Reserve	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
Moana Water Supply	To fund any design options for a reticulated water supply servicing Moana (not signalled in this plan).
Flood Protection Reserve	To fund capital works to enhance flood protection measures in the District for which Council is responsible for.
Cemetery Extension Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Cemetery Maintenance Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Footpath Reserve	To fund the development or renewal of footpaths in the District (land transport activity).
Roading Reserve - Expenditure Committed	To spread funding of key roading (land transport) renewal projects, given that they do not have an equal funding requirement year to year.
Land Fill Reserve	to fund capital works required for solid waste management

SPECIAL FUNDS	
Airport Maintenance Reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Airport Runway resealing reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Disaster Recovery Reserve	To fund Council's excess on the loss of Council assets in the event of a major disaster (all activities).
Civil Defence Reserve	To fund any extraordinary expenditure associated with providing Council's emergency management function.
Rural Fire Authority Reserve	To fund the expenditure associated with major rural fires and any significant renewals capital expenditure required for the rural fire activity.
Economic Development Reserve	To fund economic development, including a share of land transport, wastewater, water supply, and stormwater development expenditure incurred via subdivision.
Harbour Endowment LS Reserves	To fund any operating deficits of port related activities
Land Sale Reserve	To fund purchase of land, key strategic assets and obtaining fee simple ownership of leasehold property; and to fund other significant projects as decided by Council as part of the Annual Plan.
Reserves Subdivision Contributions	To fund the creation of new recreational areas/reserves.
Maori Land Compensation Reserve	To fund part of the rent increases on land leased from the Mawhera Incorporation (all activities with associated leases).
TDS Reserve	To fund a portion of any projects that may arise as a result of the Town Development Strategy.
Town Clock Reserve	To fund renewal/major maintenance of town clock.
Gas Management Plan Reserve	To fund a portion of any associated costs of identifying and mitigating effects of any land associated with historic gasworks.
District Planning Reserve	To fund any large costs arising from District Plan reviews or one-off projects associated with planning and regulations.
Plant and Machinery Reserve	To replace existing plant (vehicles), or effect major maintenance to existing plant.
Building & Property Gen Reserve	To fund major maintenance and renewal of Council buildings and associated facilities excluding dedicated reserves (property activity).
Corp Equip and Furniture Reserve	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
Staff Costs Reserve	To fund the cost of recruiting and replacing staff (all activities)
Sunshine Coach Reserve	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' Recreation Centre
Library Reserve	To fund any key maintenance work or equipment upgrades required at Council's District library.
Special Funds - Committed Expenditure	Holds amounts already committed by Council from other Special Funds, but not yet spent
Port Plant Renewal	To replace existing port operational plant or effect major maintenance to existing port operational plant.
CWS Ltd Share Sale Reserve	General purpose reserve available for use in any Council activities.

10 Summary of significant accounting policies

10.1 Reporting entity

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

Council has two associates: Tourism West Coast (25% controlled) and West Coast Rural Fire Authority (20% controlled). Council has one subsidiary: West Coast Recreation Trust (100% controlled).

All associates and subsidiaries are incorporated in New Zealand.

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 the new Public Sector Public Benefit Entity Standards (PBE standards).

The prospective financial statements of Council were authorised for issue by Council on 8 June 2015.

10.2 Basis of preparation

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements have been prepared in accordance with PBE standards for a Tier 1 entity. The Council is adopting the PBE standards for the first time in the periods presented in these financial statements.

An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Council investments in associates are carried at cost in Council's own "parent entity" financial statements.

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 (including derivative 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 surplus/deficit.

The preparation of prospective financial statements in conformity with PBE standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue 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.

10.3 Accounting policies

Revenue

Revenue comprises of the items below and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates

Rates Revenue is recognised by Council as being revenue on the due date of each instalment. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and are therefore defined as non-exchange.

Water billing revenue is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

Subsidies and grants

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.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Finance revenue

Interest revenue is exchange revenue and recognised using the effective interest method.

Other revenue

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised. Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment property lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Vested Asset Revenue is recognised as non-exchange revenue 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.

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.

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/revenue through the surplus/deficit.

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:

1. 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.

2. 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.

3. 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.

4. Financial assets at fair value through other comprehensive revenue and expenditure

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 revenue and expenditure except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expenditure 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 revenue and expenditure 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 consist 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.

Vested assets

Vested assets are those assets where ownership and control is transferred to the Council from a third party (e.g. infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes.

Heritage assets

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition and measurement

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

ASSET CLASS	DEPRECIATION METHOD	LIFE (YEARS)	%
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks			
- Formation	Not depreciated	-	-
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.5
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	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

INFRASTRUCTURAL ASSETS	VALUATION BASIS
Sewerage	Optimised depreciated replacement cost
Water supply systems	Optimised depreciated replacement cost
Landfill Site	Depreciated historical Cost

FIXED ASSETS	VALUATION BASIS
General land	Fair Value
Other land	Historical cost
Buildings	Fair Value
Plant and machinery	Depreciated historical cost
Furniture and fittings	Depreciated historical cost
Computer equipment	Depreciated historical cost
Library stocks	Depreciated historical cost
Breakwater and wharves	Depreciated historical cost
Aerodrome	Fair Value
Parking developments	Depreciated historical cost
Reserve Board Assets	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 revenue and expenditure.

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.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

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

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the 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.

Trade and other payables

Short-term creditors and other payables are recorded at their face value.

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 2.5% 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%.

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.

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 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 Revenue 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.

Grey District Aquatic Centre

The Grey Aquatic Centre has been assessed for impairment due to the 'roof deflection' issue, or sagging beams supporting the roof. The expected cost of this repair has been determined based on a detailed design of the repair and quantity surveyed costing of \$1,030,000.

Landfill aftercare provision

The cash outflows for landfill post-closure are expected to occur between 2014 and 2047. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 6% (2014: 6%).

Financial guarantees

The Council has agreed to act as a sole guarantor for a Westurf Recreation Trust loan, up to a maximum of \$200,000, for the purposes of upgrading their artificial turf at the Greymouth Hockey Stadium. This is contingent on final Council satisfaction on the project being financially sustainable. As at balance date the trust has not yet proceeded with uplifting of a loan, and has indicated to Council that they are unlikely to require the loan.

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

Council is the lessor on a large number of leases which include terms where the lessee can extend the lease into perpetuity. Council has determined that the risks and rewards of ownership is retained by the Grey District Council and therefore have classified the leases as operating leases.

Classification of property

Council's leasehold property has been classified as investment property as the primary purpose is to earn rental revenue for the Council and is not directly related to service delivery. Prior to 2014 Council classified this property as "non-current assets held for sale" as during prior years Council was actively encouraging the sale of these properties at a reasonable price and they were available for immediate sale. Whilst this is still Council policy it is deemed to be less than likely that the properties will be sold within the next 12 months and it is expected that the carrying amount of the properties will be recovered principally via the rental revenue derived rather than through continuing use. The 2014 financial statements disclose the value of these assets being transferred from "non-current assets held for sale" to "investment property".

Cost of service statements

The Cost of Service Statements, as provided in the Statement of Service Performance, 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 cash flows

The following are the definitions of terms used in the statement of cash flows:

- "Operating Activities" include cash received from all revenue 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.

11 Funding impact statement and rates required

11.1 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:

The total of the revenue sources expected are shown in the Budgeted Statement of Comprehensive Revenue and Expenditure and information is also shown in each Group of Activities Budgeted Cost of Service Statement.

Whole of Council Funding Impact Statement

	2015 Annual Plan \$000	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2019 LTP Year 4 \$000	2020 LTP Year 5 \$000	2021 LTP Year 6 \$000	2022 LTP Year 7 \$000	2023 LTP Year 8 \$000	2024 LTP Year 9 \$000	2025 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	8,781	9,131	9,580	9,815	10,223	10,682	11,060	11,572	12,071	12,513	13,060
Targeted rates	5,838	6,031	6,215	6,480	6,745	6,962	7,212	7,444	7,665	7,848	8,096
Subsidies and grants for operating purposes	1,525	1,728	1,646	1,656	1,536	1,550	1,566	1,610	1,659	1,710	1,767
Fees and charges	3,681	3,709	4,575	4,686	4,839	5,041	5,159	5,316	5,529	5,679	5,882
Interest and dividends from investments	446	579	634	632	651	678	703	725	749	768	809
Local authorities fuel tax, fines, infringement fees, and other receipts	320	309	317	326	333	342	353	364	377	390	404
Total operating funding [A]	20,591	21,487	22,967	23,595	24,327	25,255	26,053	27,031	28,050	28,908	30,018
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	15,391	15,778	16,878	16,742	16,823	17,484	17,941	18,463	19,191	19,799	20,532
Finance costs	2,033	1,930	2,383	2,468	2,538	2,583	2,524	2,452	2,375	2,290	2,203
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	17,424	17,708	19,261	19,210	19,361	20,067	20,465	20,915	21,566	22,089	22,735
Surplus (deficit) of operating funding [A - B]	3,167	3,779	3,706	4,385	4,966	5,188	5,588	6,116	6,484	6,819	7,283
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	10,363	9,116	2,460	2,471	2,438	2,453	2,472	2,530	2,594	2,662	2,737
Development and financial contributions	58	58	60	62	63	65	67	69	71	74	76
Increase (decrease) in debt	3,529	2,058	6,510	(441)	(739)	(500)	(1,005)	(1,099)	(1,187)	(1,301)	(1,290)
Gross proceeds from sale of assets	190	121	121	121	121	121	121	121	121	121	121
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	14,140	11,353	9,151	2,213	1,883	2,139	1,655	1,621	1,599	1,556	1,644
[D] APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	12,936	11,966	7,088	392	401	787	426	432	445	457	478
—to replace existing assets	5,106	4,596	4,867	5,642	5,775	5,593	5,793	6,591	6,798	7,031	6,885
Increase (decrease) in reserves	(735)	(1,430)	902	564	673	947	1,024	714	840	887	1,564
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	17,307	15,132	12,857	6,598	6,849	7,327	7,243	7,737	8,083	8,375	8,927
Surplus (deficit) of capital funding [C - D]	(3,167)	(3,779)	(3,706)	(4,385)	(4,966)	(5,188)	(5,588)	(6,116)	(6,484)	(6,819)	(7,283)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

11.2 Reconciliation of funding impact statement to prospective statement of comprehensive revenue and expenditure

	Annual Plan \$000	LTP Year 1 \$000	LTP Year 2 \$000	LTP Year 3 \$000	LTP Year 4 \$000	LTP Year 5 \$000	LTP Year 6 \$000	LTP Year 7 \$000	LTP Year 8 \$000	LTP Year 9 \$000	LTP Year 10 \$000
Surplus (deficit) of operating funding	3,167	3,779	3,706	4,385	4,966	5,188	5,588	6,116	6,484	6,819	7,283
add sources of capital funding recognised as revenue in statement of comprehensive revenue											
Subsidies and grants for capital expenditure	10,363	9,116	2,460	2,471	2,438	2,453	2,472	2,530	2,594	2,662	2,737
Development and financial contributions	58	58	60	62	63	65	67	69	71	74	76
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
adjust for other sources of non-cash items excluded from the funding impact statement											
Depreciation and amortisation expense	(8,683)	(7,795)	(7,944)	(8,456)	(8,500)	(8,514)	(8,996)	(9,044)	(9,109)	(9,972)	(10,045)
Net gain (loss) of non-current assets held for sale	45	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	98	121	121	121	121	121	121	121	121	121	121
Assets Vested	89	90	93	95	98	100	103	107	110	114	118
Surplus / deficit after tax attributable to Grey District Council	5,137	5,369	(1,504)	(1,322)	(814)	(587)	(645)	(101)	271	(182)	290

11.3 Financial reporting and prudence disclosures

The Government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

These measures allow for comparison of financial performance with other Councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Grey District Council's results with other Councils' due to their size, location and provision of services.

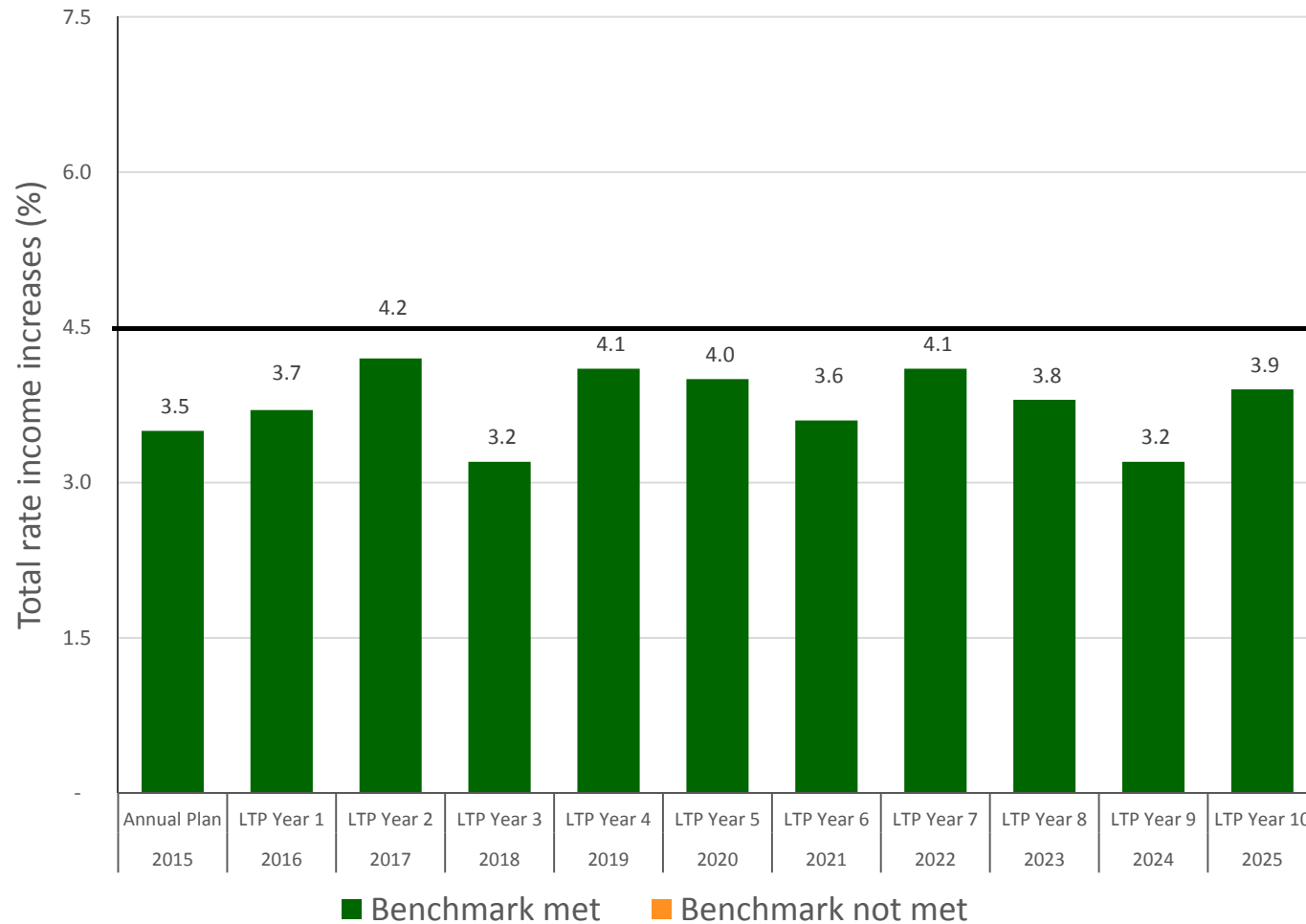
[a] Rates affordability benchmark

Council meets the rates affordability benchmark if:

- Actual or planned rates revenue for the year equals or is less than each quantified limit on rates; and
- Actual or planned rates increases for the year equal or are less than each quantified limit on rates increases.

Total planned rate revenue percentage increases

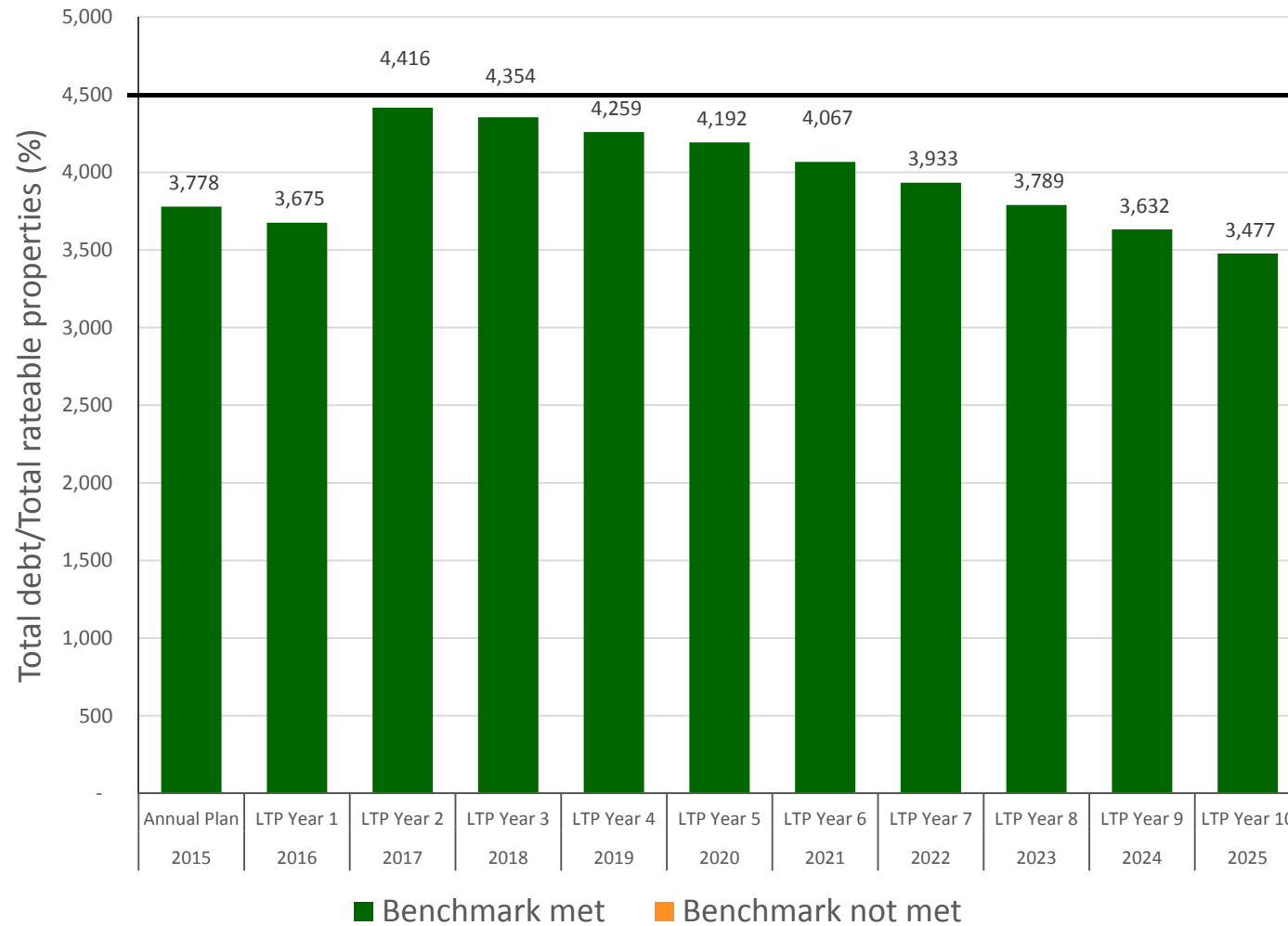
The limit as contained within Council’s Financial Strategy is for the total rate increase in any year to be no more than 4.5% (4.5% being the benchmark).



[b] Debt affordability benchmarks

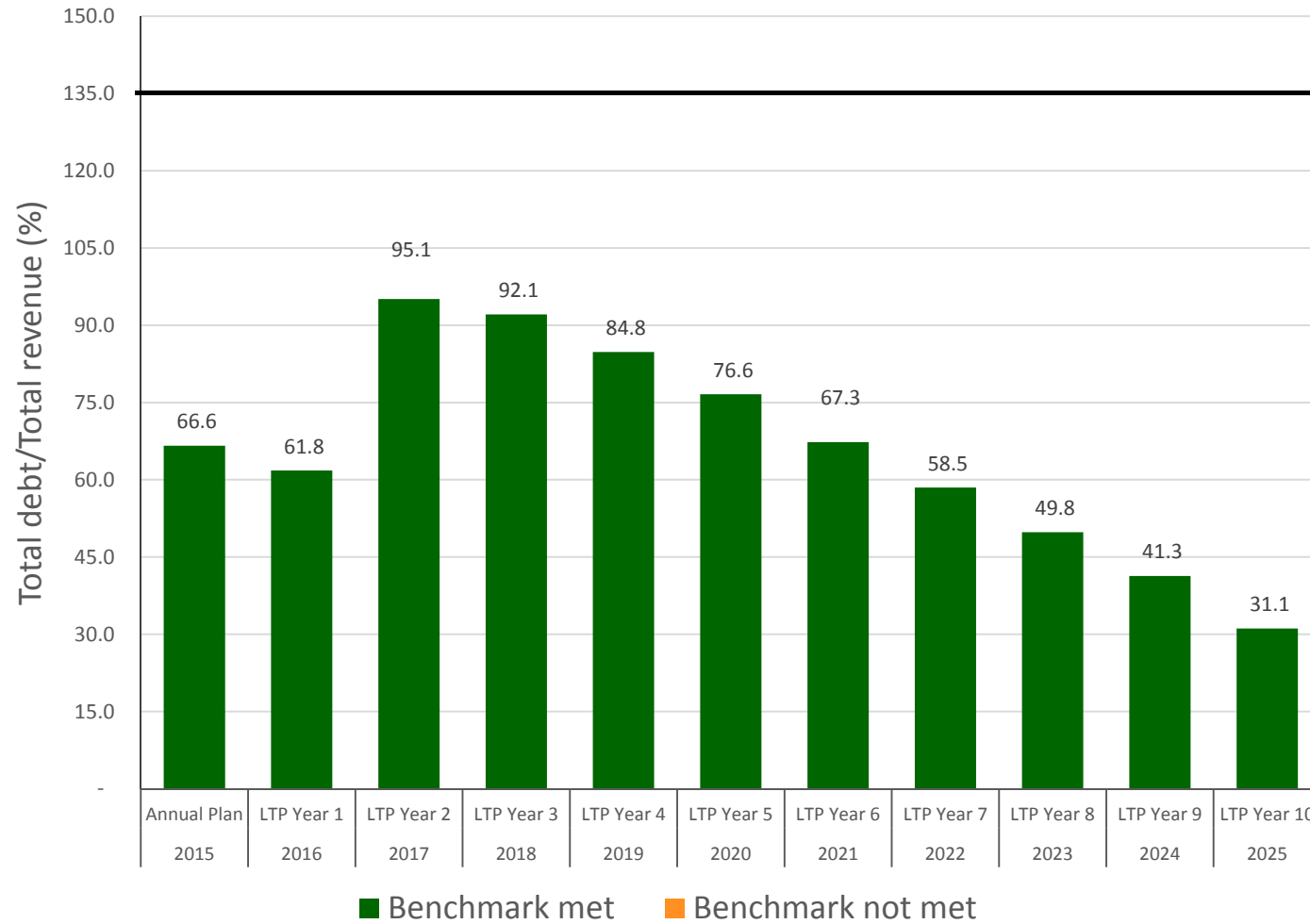
Total planned debt per rateable property

The following graph displays the total planned debt per rateable property. Council’s benchmark is for total debt per rateable property to remain less than \$4,500.



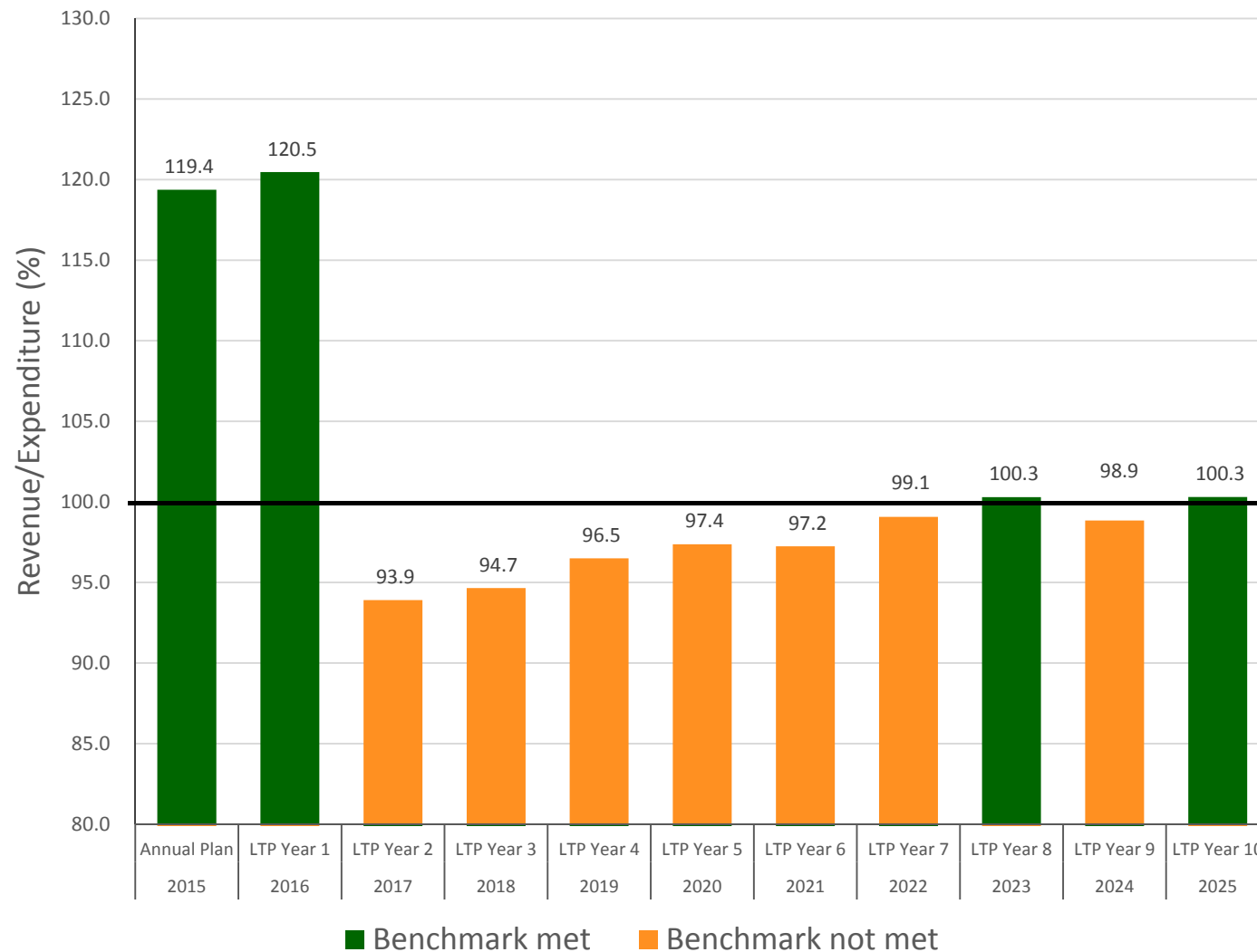
Net planned debt as a percentage of total actual revenue

The following graph displays net planned debt as a percentage of total planned revenue. Council’s benchmark is for total debt to remain less than 135% of total revenue.



[c] Balanced budget benchmark

The following graph displays Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expense.

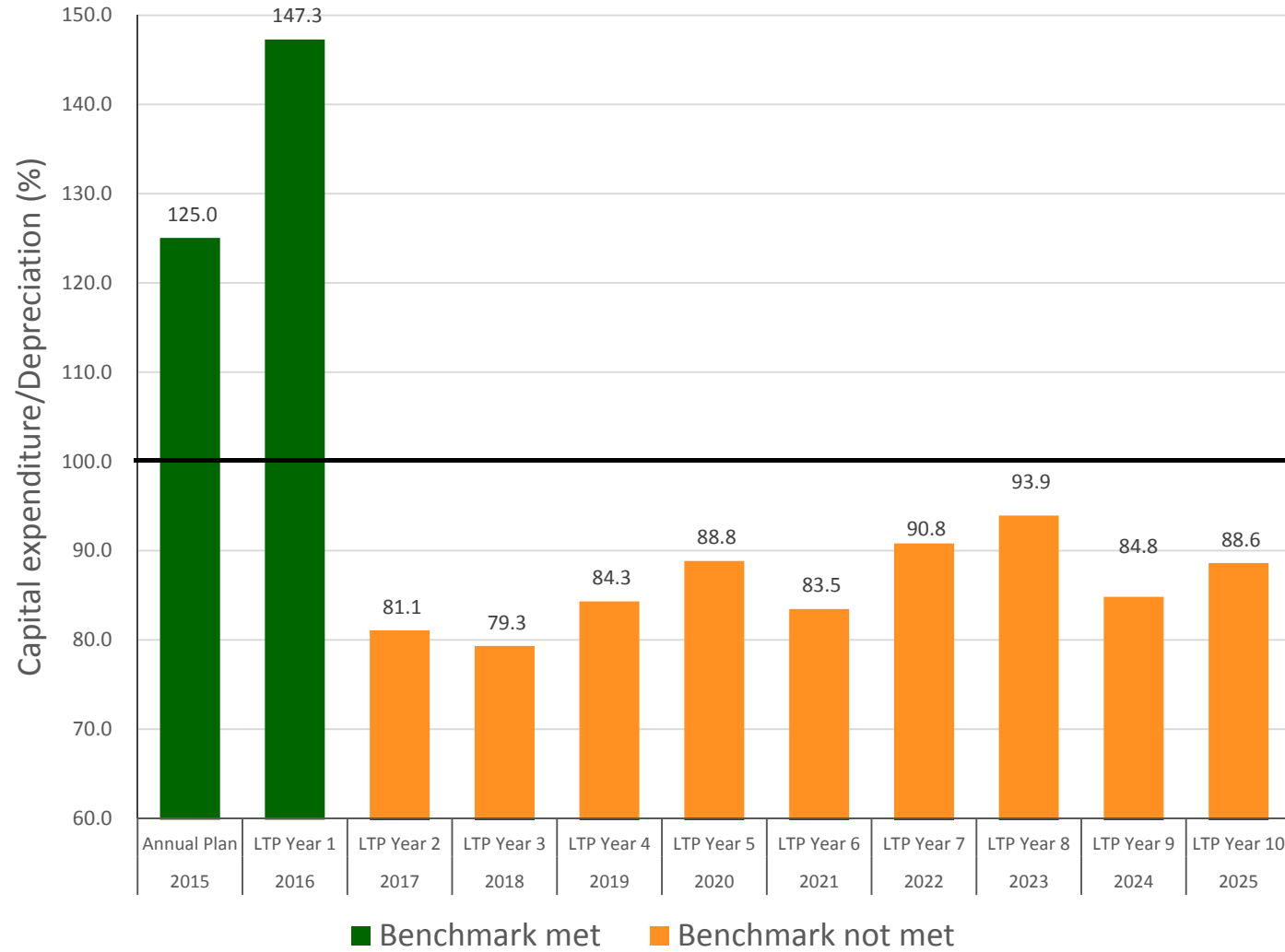


Please refer to PARTC: Council’s Financial Strategy for an explanation on why this benchmark was not met.

[d] Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of depreciation on network services.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

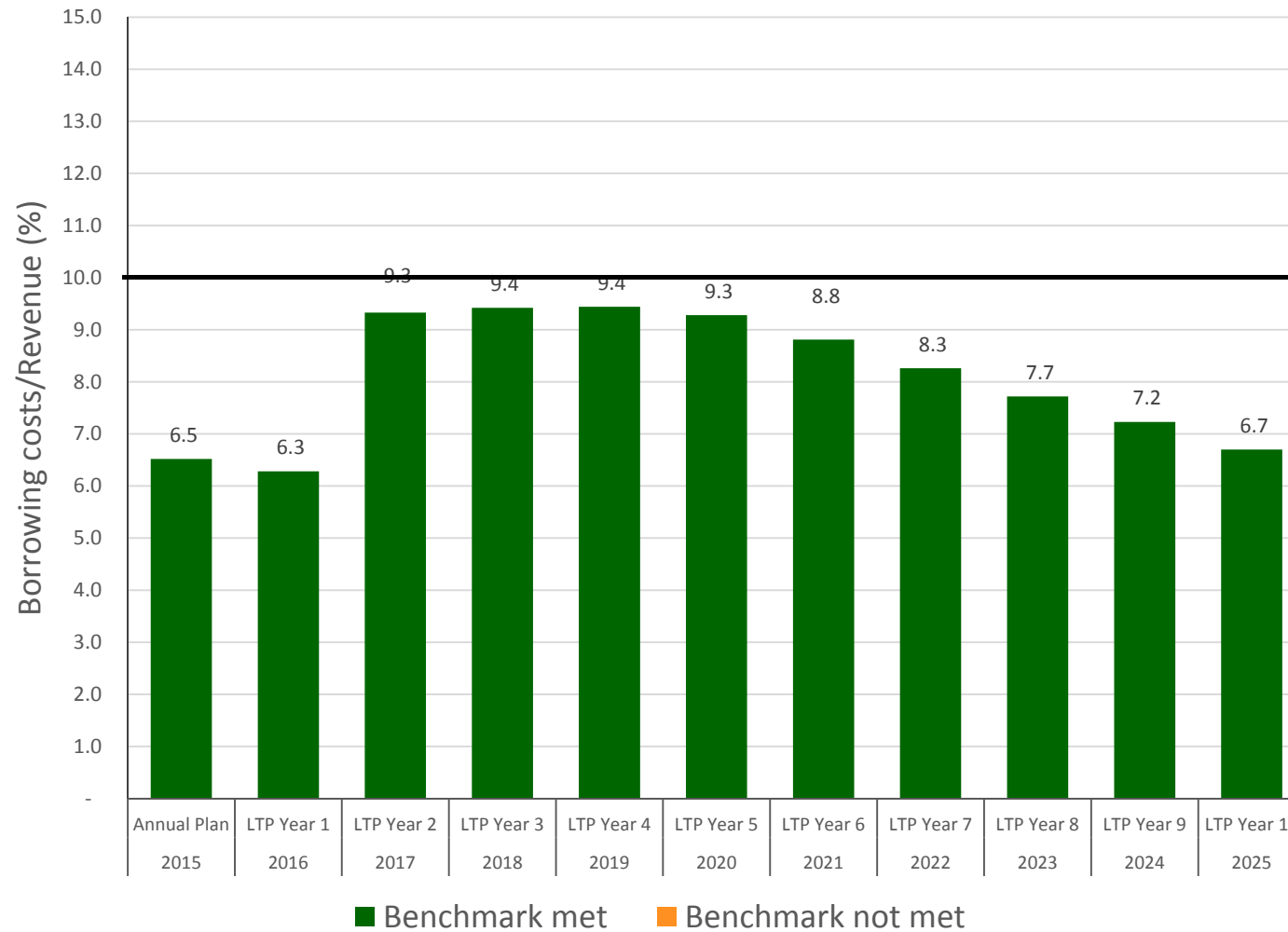


Please refer to PARTC: Council’s Financial Strategy for an explanation on why this benchmark was not met.

[e] Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment).

Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



11.4 Rates

Rates are assessed under the Local Government (Rating) Act 2002 on all rateable rating units in the Rating Information Database (RID). 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 2012** and was effective from the 2013/2014 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 what factors Council uses to calculate rates and what the rates to be set per property are for 2015/2016.

Policy objective

- To provide Council with adequate revenue 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.

11.5 General rate

The Council sets a general rate under section 13 of the Local Government (Rating) Act 2002 on each rating unit in the District based on the land value. The general rate will be set on a differential basis based on land use as described as follows:¹⁰

Residential

All properties in the District less than 4,000 square metres (0.4HA) and used primarily for residential purposes, split into the following zones:

- Residential Zone ONE (refer following Map of Rating Zones for location)
- Residential Zone TWO (refer following Map of Rating Zones for location)
- Residential Zone THREE (refer following Map of Rating Zones 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.

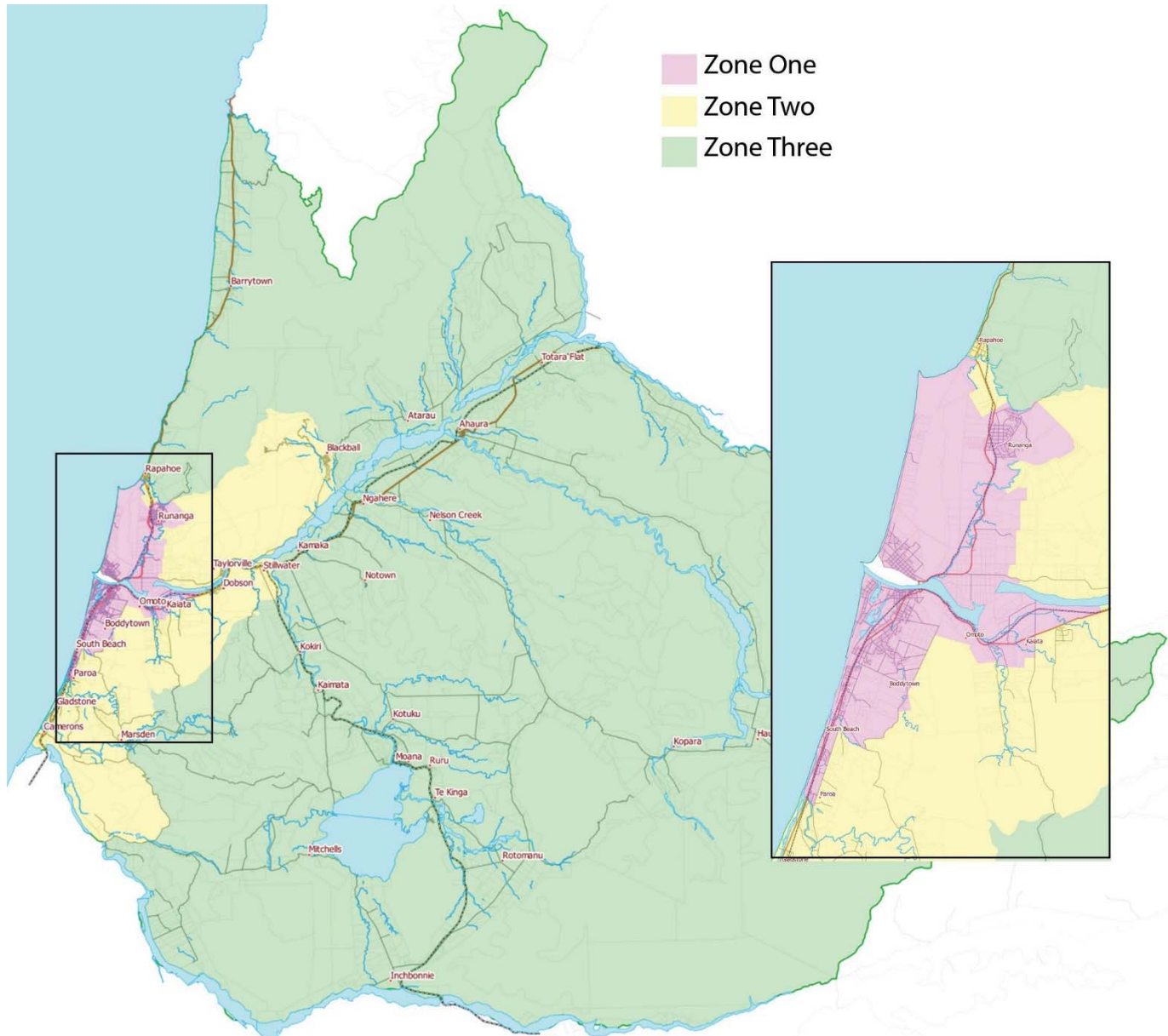
Commercial

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)

¹⁰ 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

11.6 Map of rating zones



11.7 General rating differentials

Percentage of general rates payable per rating category

General rates are calculated by each differential funding the following percentages of the required rate take for the following activities/groups of activities:

	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%
Solid Waste Management	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%	0.00%
Flood Protection	61.60%	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 above percentages calculate the following rates per dollar of land value, which determines the total general rate payable.

The rates for 2015/2016 are:

	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	0.0026360	0.0012160	0.0029450	0.0011520	0.0007680	0.0049090	0.0017390	0.0040020	0.0001070
Environmental Services	0.0018570	0.0021560	0.0009600	0.0008750	0.0004050	0.0006190	0.0004910	0.0009280	0.0001280
Solid Waste Management	0.0002560	0.0002990	0.0001390	0.0001170	0.0000640	0.0000850	0.0000640	0.0000960	0.0000220
Roading	0.0038520	0.0017830	0.0017830	0.0011960	0.0017290	0.0115040	0.0051650	0.0076950	0.0011520
Stormwater	0.0012910	0.0006290	0.0003310	0.0002030	0.0000640	0.0006090	0.0002460	0.0006620	-
Flood Protection	0.0008210	0.0002460	0.0001390	0.0001710	0.0000850	0.0007580	0.0002460	0.0004800	0.0000320
Rural Fire	0.0000430	0.0000960	0.0000530	0.0000320	0.0001600	0.0000220	0.0000320	0.0000850	0.0000960
TOTAL GENERAL RATE	0.0107560	0.0064250	0.0063500	0.0037460	0.0032750	0.0185060	0.0079830	0.0139480	0.0015370

Includes GST

11.8 Projected rating units

	2016 LTP Year 1	2017 LTP Year 2	2018 LTP Year 3	2019 LTP Year 4	2020 LTP Year 5	2021 LTP Year 6	2022 LTP Year 7	2023 LTP Year 8	2024 LTP Year 9	2025 LTP Year 10
Total projected rating units at the end of the preceding financial year	9,106	9,127	9,148	9,169	9,190	9,211	9,232	9,253	9,275	9,297

11.9 Uniform annual general charge

The Uniform Annual General Charge is charged at one (1) full charge per rating unit as per section 15 of the Local Government (Rating) Act 2002. The Council sets a uniform annual general charge to fund the rating input required (i.e. net funding requirements) for the following activities:

- Aerodrome (part)
- Civic Centre/Westland Recreation Centre
- Library
- Swimming Pools
- Council
- Consultation
- Access to Official Information
- Civil Defence & Emergency Management

The rate for 2015/2016 is:

UAGC	Previous Rate 2014/2015	LTP Year 1 2015/2016
Rate	443.10	459.50

Includes GST

11.10 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. Council's policy therefore is not to accept lump sum contributions.

Sewerage

The Council sets targeted rates under section 16 of the Local Government (Rating) Act 2002 for sewage disposal on the basis of one (1) 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; and
- Capital costs (loan repayments of previous capital expenditure, and/or current capital expenditure costs, and/or development costs of capital expenditure).

The rates for 2015/2016 are:

Rating units classified as service available and connected

WASTEWATER (SEWERAGE)	Previous Rate	LTP Year 1
Rating units classified as service available and connected	2014/2015	2015/2016
Blackball	538.50	581.60
Dobson/Taylorville/Kaiata - capital rate	703.80	724.90
Dobson/Taylorville/Kaiata - operating and maintenance rate	232.10	241.40
Greymouth	580.00	626.40
Karoro	293.70	317.20
Moana	236.60	260.30
Runanga	229.50	252.50
South Beach/Paroa	261.30	282.20
Te-Kinga	680.30	693.90
South Beach Loan	432.40	432.40

Rating units classified as service available and not connected

WASTEWATER (SEWERAGE)	Previous rate	LTP Year 1
Rating units classified as service available and <u>not</u> connected	2014/2015	2015/2016
Blackball	269.25	290.80
Dobson/Taylorville/Kaiata - capital rate	703.80	724.90
Dobson/Taylorville/Kaiata - operating and maintenance rate	232.10	241.40
Greymouth	290.00	313.20
Karoro	146.85	158.60
Moana	118.30	130.15
Runanga	114.75	126.25
South Beach/Paroa	261.30	282.20
Te-Kinga	340.15	346.95
South Beach Loan	432.40	432.40

Pan Charges

WASTEWATER (SEWERAGE)	Previous rate	LTP Year 1
Charge for each water closet (pan) or urinal connected to a public sewerage drain	2014/2015	2015/2016
Dobson/Taylorville/Kaiata - operating and maintenance rate	58.02	65.07
Moana	59.15	63.12
Te-Kinga	170.07	173.47

All wastewater rates include 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 targeted rates under section 16 of the Local Government (Rating) Act 2002 for water supply on the basis of one (1) targeted rate per separately used or inhabited part of a rating unit which is either connected to the scheme or for which a connection is available.

The charge will be set on a differential basis based on the availability of the service – either connected or serviceable.

- Connected means the rating unit is connected to a Council operated water reticulation scheme.
- Serviceable means the rating unit is not connected, but is within 50 metres of such a scheme. Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

The targeted rate includes:

- The operation and maintenance costs for Council schemes; and
- Capital costs (loan repayments of previous capital expenditure, and/or current capital expenditure costs, and/or development costs of capital expenditure)

The rates for 2015/2016 are:

Rating units classified as service available and connected

WATER	Previous rate	LTP Year 1
Rating units classified as service available and connected	2014/2015	2015/2016
Blackball	460.10	474.00
Dobson/Taylorville	451.70	465.30
Greymouth	403.30	423.50
Runanga	307.20	338.00
Stillwater	451.70	465.30
South Beach Water Loan	151.30	151.30

Rating units classified as service available and not connected

WATER	Previous rate	LTP Year 1
Rating units classified as service available and <u>not</u> connected	2014/2015	2015/2016
Blackball	230.05	237.00
Dobson/Taylorville	225.85	232.65
Greymouth	201.65	211.75
Runanga	153.60	169.00
Stillwater	225.85	232.65
South Beach Water Loan	151.30	151.30

All water supply rates include GST

Metered water supply

The Council sets a metered water targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied to any rating unit, that is classified as commercial/industrial, in excess of 75m³ per quarter where the volume supplied is in excess of 300m³ per annum.

The rate for 2015/2016 is (for all water consumed in excess of 300m³):

METERED WATER	Previous rate 2014/2015	LTP Year 1 2015/2016
Rate	1.22	1.29

Includes GST

Refuse and recycling collection

The Council sets targeted rates per separately used or inhabited part of a rating unit under section 16 of the Local Government (Rating) Act 2002 for refuse collection and kerbside recycling collection services. This rate will be set on a differential basis based on land use. The categories are:

- Commercial and industrial properties within the Greymouth CBD that receive a twice weekly refuse/recycling collection;
- Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties, outside the Greymouth CBD that receive a weekly refuse/recycling collection; or
- Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties that receive a weekly refuse only collection.

One (1) targeted rate will apply per separately used or inhabited part of a rating unit that receives a kerbside recycling and/or refuse service.

The rates for 2015/2016 are:

REFUSE/RECYCLING COLLECTION	Previous rate 2014/2015	LTP Year 1 2015/2016
Refuse only collection where available	189.90	189.90
Weekly Refuse/Recycling (wheelie bin) collection where available	250.10	262.70
Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	500.10	525.40

Includes GST

Economic development rate – commercial and industrial properties

The Council sets a targeted rate under section 16 of the Local Government (Rating) Act 2002 to fund economic development opportunities in the District. The rate was previously called the 'District Promotion' rate, however it is used for a broader range of economic development activities. This is set on commercial and industrial properties.

The rate for 2015/2016 is:

ECONOMIC DEVELOPMENT	Previous rate 2014/2015	LTP Year 1 2015/2016
Rate	0.001071	0.001092

Includes GST

Economic development rate – bed and breakfast operators

The Council sets a targeted rate under section 16 of the Local Government (Rating) Act 2002 to fund economic development opportunities in the District on the basis of a one (1) charge per separately used or inhabited part of a non-commercial/industrial rating unit which is operating as a Bed and Breakfast, Homestay or Farmstay.

The rate for 2015/2016 is:

ECONOMIC DEVELOPMENT Bed and Breakfast/Homestay/Farmstay	Previous rate 2014/2015	LTP Year 1 2015/2016
Rate	176.60	180.10

Includes GST

11.11 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.

11.12 Rates payable by instalment

	Due Date and Payable	FINAL Date for payment
Instalment 1	1 August	31 August
Instalment 2	1 November	30 November
Instalment 3	1 February	28 February
Instalment 4	1 May	31 May

11.13 Rates penalties

CURRENT PENALTIES	PENALTY DATE	Penalty incurred on current instalment balance outstanding
Instalment 1 Penalty	1 September 2015	10%
Instalment 2 Penalty	1 December 2015	10%
Instalment 3 Penalty	1 March 2015	10%
Instalment 4 Penalty	1 June 2016	10%

WATER METER RATE PENALTIES	PENALTY DATE	Penalty incurred on TOTAL balance outstanding
Instalment Penalty	last day on month following invoice date	10%

ARREARS PENALTIES	PENALTY DATE	Penalty incurred on TOTAL balance outstanding
Annual Penalty	1 July 2015	10%

11.14 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.

11.15 Rate types

Council collects general and targeted rates as outlined below.

		total rate requirement 2016 \$000			total rate requirement 2016 \$000
GENERAL RATES				TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:	
Uniform Annual General Charge		2,946		Economic Development	
General Rates - set on land value*				Commercial/Industrial properties - targeted rate set on capital value	
Community Services	1,412			Bed and Breakfast/Homestay/Farmstay - uniform charge	
Environmental Services	760			Refuse Collection	
Solid Waste Management	124			Refuse only collection (bag collection) where available	
Roading	2,742			Weekly Refuse/Recycling (wheelie bin) collection where available	
Stormwater	775			Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	
Flood Protection	147			Sewerage Collection	
Rural Fire	82			Blackball	
Total General Rate		6,042		Greymouth	
* (refer below for amount charged per differential category)				Karoro	
PENALTIES				Runanga	
Rate Penalties		143		South Beach/Paroa	
				Moana	
				Dobson/Taylorville/Kaiata - operating and maintenance rate	
				Dobson/Taylorville/Kaiata - capital rate	
				Te-Kinga	
				South Beach Loan	
				Water Supplies	
				Greymouth	
				Runanga	
				Dobson/Taylorville	
				Stillwater	
				Blackball	
				South Beach Water Loan	
				Water Meter Rates	
				TOTAL RATES	
				15,162	

General rates calculated on land value payable per category

	Residential Zone 1 \$000	Residential Zone 2 \$000	Residential Zone 3 \$000	Rural Residential \$000	Rural Use \$000	Commercial Zone 1 \$000	Commercial Zone 2 \$000	Commercial Zone 3 \$000	Farming Forestry \$000
Community Services	563	48	198	134	51	311	31	24	52
Environmental Services	383	82	62	98	26	37	8	5	59
Solid Waste Management	62	14	10	16	4	6	1	1	10
Roading	830	71	121	140	115	735	93	47	590
Stormwater	539	49	43	44	8	75	9	8	-
Flood Protection	90	5	5	10	3	25	2	1	6
Rural Fire	10	4	3	4	11	1	-	-	49

11.16 Sample rate assessments based on this Plan

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

- A differential rating system where the rates calculated on land value vary based on property use (e.g. residential vs. commercial); and
- 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.

Greymouth residential - \$105,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	105,000	0.010756	1,089.17	1,129.38
Greymouth Sewerage	1	626.40	580.00	626.40
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
			2,765.67	2,901.48

Greymouth residential - \$93,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	93,000	0.010756	964.69	1,000.31
Greymouth Sewerage	1	626.40	580.00	626.40
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
			2,641.19	2,772.41

Blaketown residential - \$43,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	43,000	0.010756	446.04	462.51
Greymouth Sewerage	1	626.40	580.00	626.40
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
			2,122.54	2,234.61

Cobden residential - \$42,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	42,000	0.010756	435.67	451.75
Greymouth Sewerage	1	626.40	580.00	626.40
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling Collection	1	262.70	250.10	262.70
			2,112.17	2,223.85

Karoro residential - \$128,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	128,000	0.010756	1,327.74	1,376.77
Karoro Sewerage	1	317.20	293.70	317.20
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
			2,717.94	2,839.67

Paroa/South Beach residential - \$99,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	99,000	0.010756	1,026.93	1,064.84
South Beach/Paroa Sewerage	1	282.20	261.30	282.20
Greymouth Water Supply	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
			2,384.73	2,492.74

Kaiata residential - \$44,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	44,000	0.010756	456.41	473.26
Refuse Collection	1	189.90	189.90	189.90
Dobson/Taylorville/Kaiata Sewerage	1	966.30	935.90	966.30
			2,025.31	2,088.96

Residential with B & B rate - \$58,000 land value

Residential - Zone 1 (with B&B rate)			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	58,000	0.010756	601.63	623.85
Greymouth Sewerage	1	626.40	580.00	626.40
Greymouth Water	1	423.50	403.30	423.50
Refuse/Recycling	1	262.70	250.10	262.70
Economic Development	1	180.10	176.60	180.10
			2,454.73	2,576.05

Dobson residential - \$48,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	48,000	0.006425	297.41	308.40
Dobson/Taylorville/Kaiata Sewerage	1	966.30	935.90	966.30
Dobson/Taylorville/Kaiata Water	1	465.30	451.70	465.30
Refuse Collection	1	189.90	189.90	189.90
			2,318.01	2,389.40

Taylorville residential - \$35,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	35,000	0.006425	216.86	224.88
Dobson/Taylorville/Kaiata Sewerage	1	966.30	935.90	966.30
Dobson/Taylorville/Kaiata Water Supply	1	465.30	451.70	465.30
Refuse Collection	1	189.90	189.90	189.90
			2,237.46	2,305.88

Stillwater residential - \$34,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	34,000	0.006425	210.66	218.45
Stillwater Water Supply	1	465.30	451.70	465.30
Refuse Collection	1	189.90	189.90	189.90
			1,295.36	1,333.15

Runanga residential - \$40,000 land value

Residential - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES1-General Rate	40,000	0.010756	414.92	430.24
Runanga/Dunollie Sewerage	1	252.50	229.50	252.50
Runanga/Dunollie/Rapahoe/Coal Ck Water Supply	1	338.00	307.20	338.00
Refuse Collection	1	189.90	189.90	189.90
			1,584.62	1,670.14

Rapahoe residential - \$110,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	110,000	0.006425	681.56	706.75
Runanga/Dunollie/Rapahoe/Coal Ck Water Supply	1	338.00	307.20	338.00
Refuse Collection	1	189.90	189.90	189.90
			1,621.76	1,694.15

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

Rural Residential			Current Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RR-General Rate	170,000	0.003746	614.21	636.82
Refuse Collection	1	189.90	189.90	189.90
			1,247.21	1,286.22

Rural Use (Marsden) – \$170,000 land value

Rural Use			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RUR-General Rate	170,000	0.003275	537.03	556.75
Refuse Collection	1	189.90	189.90	189.90
			1,170.03	1,206.15

Gladstone residential - \$130,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	130,000	0.006425	805.48	835.25
Refuse Collection	1	189.90	189.90	189.90
			1,438.48	1,484.65

Camerons residential - \$49,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	49,000	0.006425	303.60	314.83
Refuse Collection	1	189.90	189.90	189.90
			936.60	964.23

Ngahere residential - \$62,000 land value

Residential - Zone 3			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES3-General Rate	62,000	0.006350	379.63	393.70
Refuse Collection	1	189.90	189.90	189.90
			1,012.63	1,043.10

Ahaura residential - \$40,000 land value

Residential - Zone 3			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES3-General Rate	40,000	0.006350	244.92	254.00
Refuse Collection	1	189.90	189.90	189.90
			877.92	903.40

Moana residential - \$180,000 land value

Residential - Zone 3			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES3-General Rate	180,000	0.006350	1,102.14	1,143.00
Moana Sewerage	1	260.30	236.60	260.30
Refuse Collection	1	189.90	189.90	189.90
			1,971.74	2,052.70

Blackball residential - \$30,000 land value

Residential - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
RES2-General Rate	30,000	0.006425	185.88	192.75
Blackball Sewerage	1	581.60	538.50	581.60
Blackball Water Supply	1	474.00	460.10	474.00
Refuse Collection	1	189.90	189.90	189.90
			1,817.48	1,897.75

Dairy Farm - \$6,200,000 land value

Farming/Forestry			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
FF-General Rate	6,200,000	0.001537	9,188.40	9,529.40
			9,631.50	9,988.90

Dry stock farm - \$1,475,000 land value

Farming/Forestry			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
FF-General Rate	1,475,000	0.001537	2,185.95	2,267.08
Refuse Collection	1	189.90	189.90	189.90
			2,818.95	2,916.48

Forestry block - \$930,000 land value

Farming/Forestry			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
FF-General Rate	930,000	0.001537	1,378.26	1,429.41
Refuse Collection	1	189.90	189.90	189.90
			2,011.26	2,078.81

Greymouth CBD commercial - \$159,000 land value/\$636,000 capital value

Commercial - Zone 1			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
COM1-General Rate	159,000	0.018506	2,837.51	2,942.45
Greymouth Sewerage	2	626.40	1,160.00	1,252.80
Greymouth Water	2	423.50	806.60	847.00
Refuse/Recycling	2	525.40	1,000.20	1,050.80
Economic Development	636,000	0.00107	681.16	681.16
			6,928.57	7,233.71

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

Commercial - Zone 2			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
COM2-General Rate	32,000	0.007983	246.34	255.46
Blackball Sewerage	1	581.60	538.50	581.60
Blackball Water Supply	1	474.00	460.10	474.00
Refuse Collection	1	189.90	189.90	189.90
District Promotion	143,000	0.00107	153.15	153.15
			2,031.09	2,113.61

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

Commercial - Zone 3			Previous Rates 2014/2015	LTP Year 1 2015/2016
Uniform Annual General Charge	1	459.50	443.10	459.50
COM3-General Rate	165,000	0.013948	2,219.25	2,301.42
Moana Sewerage	1	260.30	236.60	260.30
Refuse Collection	1	189.90	189.90	189.90
District Promotion	425,000	0.00107	455.18	455.18
			3,544.03	3,666.30

PART G: Other Information

[appendix A] Revenue & Financing Policy

Revenue & Financing Policy

1. Policy purpose

The purpose of the Revenue & Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of, selecting various tools to fund the operating and capital expenditures of the Council.

2. Introduction

The Revenue & 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 at a group of activity level. This policy has been revised to disclose at an activity by activity basis, however the principle of funding activities has not changed.

3. 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 the 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.

The price of the service is set taking account of a number of factors. These could include:

- The cost of providing the service.
- The estimation of the users' private benefit from using the service
- The impact the cost has to encourage or discourage behaviours.
- The impact the cost has on demand for the service.
- Market pricing, including comparability with other councils.
- The impact of rates subsidies if competing with local businesses.
- The cost and efficiency of revenue collection mechanisms.
- The impact of affordability on users.

- Other matters as determined by the Council.

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 generally used for operating expenditure, except for bridge financing of Port deficits until revenue levels rise to meet all operational expenditure (refer financial strategy for further information).

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

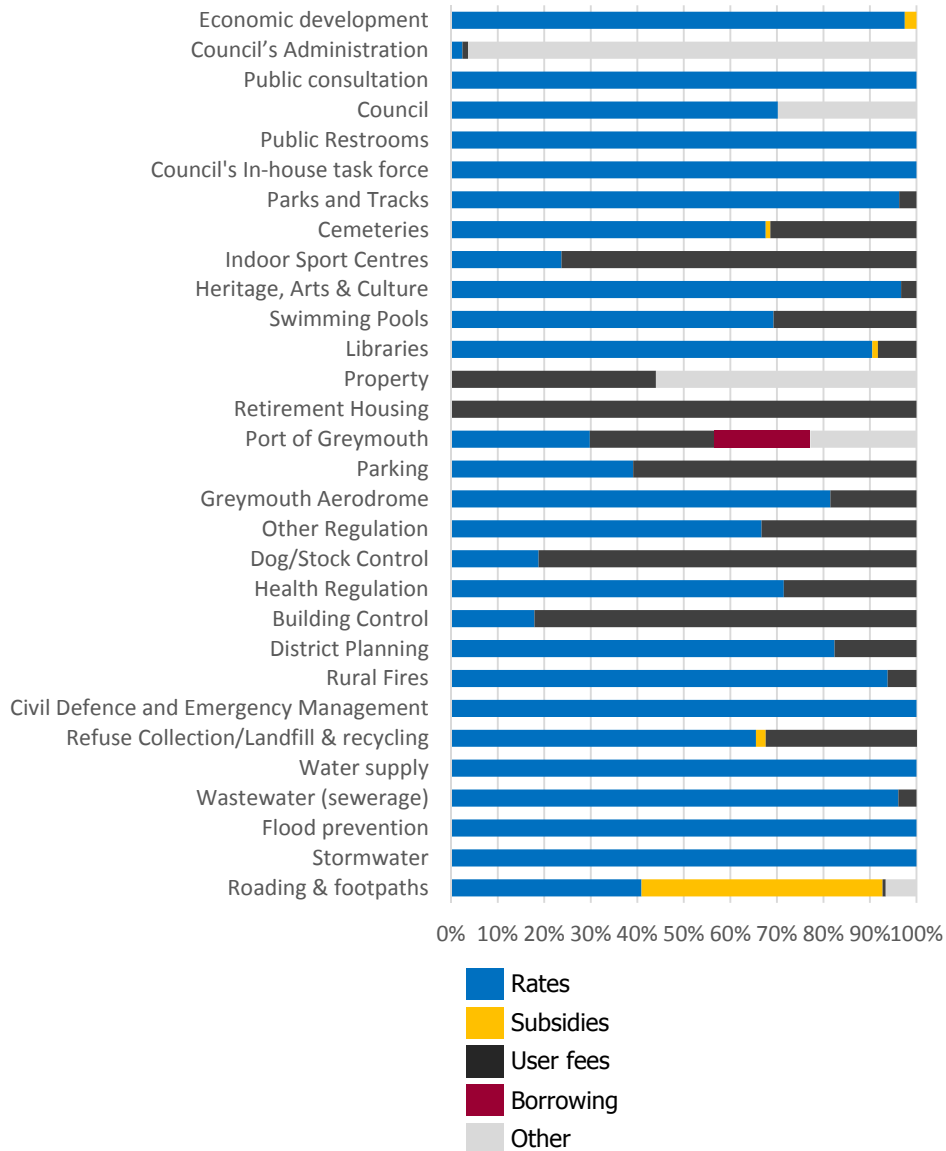
Council receives the majority of grants and subsidies in the form of financial assistance from the New Zealand Transport Agency (NZTA) and these are used as an operational source of revenue for roading where applicable. Grants and subsidies are used in other activities wherever feasible and it is financially 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.

Funding sources of operational costs for Council activities



Operational costs include the funding of any depreciation.

Capital expenditure

Capital costs, for the purpose of this policy, is spending on assets that provide the community with a service over a longer period of time than operating 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, in particular circumstances, consult with affected communities on the options of collecting a lump sum contribution as is available under the rating legislation, to fund the capital costs of new wastewater schemes or water supply.

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 council 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 the New Zealand Transport Agency (NZTA). 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:

- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

Funding sources of capital costs for Council activities

The above principles will be deliberated when Council is considering any new capital project, and the funding tools used may therefore vary project by project. It is therefore difficult, and inaccurate to try and represent capital funding of each activity graphically.

Please refer to the below **funding needs analysis** – capital expenditure for each of the funding sources that will be considered.

4. Funding needs analysis – operational expenditure

Includes depreciation that is funded.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Roading & footpaths	Land transport	<ul style="list-style-type: none"> • Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient • Providing affordable, quality essential services 	Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MINOR	MAJOR				MINOR <i>(petroleum tax)</i>	<ul style="list-style-type: none"> • 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. • 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
Management of Stormwater systems	Stormwater	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the Environment 	Users Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								<ul style="list-style-type: none"> • The District requires efficient stormwater systems 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
Flood prevention. This includes maintaining urban watercourses	Stormwater	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the Environment 	Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								<ul style="list-style-type: none"> • The District requires efficient 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

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the Environment 	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR						<ul style="list-style-type: none"> • 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.
Water supply - treatment and reticulation	Water Supply	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety 	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR						<ul style="list-style-type: none"> • 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.
Refuse/Recycling collection	Solid waste management	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, businesses	Ongoing	Users	Significant activity, Accountability		MAJOR							<ul style="list-style-type: none"> • There is a direct benefit for those properties that can have their waste collected, therefore a targeted rate is struck to cover these costs.
Landfill and recycling management	Solid waste management	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Users, Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MAJOR	MINOR					<ul style="list-style-type: none"> • The demand for the operation and maintenance of facilities is created by the present community • Excess users of refuse collection pay additional user fees • Those that use facilities direct cover the relevant costs by way of user fees • 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

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Civil Defence and Emergency Management	Emergency management	<ul style="list-style-type: none"> • Growing the local economy • Personal and property safety 	Individuals, Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR			MINOR					<ul style="list-style-type: none"> • The demand for management of civil defence is created by the present community • There is a District wide benefit to having a managed service; therefore other costs are covered by a general rate set across the district.
Rural Fires	Emergency management	<ul style="list-style-type: none"> • Growing the local economy • Personal and property safety 	Individuals, businesses	Ongoing	Individuals	Has unique funding requirements, Accountability	MAJOR		MINOR						<ul style="list-style-type: none"> • The demand for management of rural fire responsibilities is created by the present community • There is a District wide benefit to having a managed service; therefore other costs are covered by a general rate set across the district.
District Planning	Environmental services	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE						<ul style="list-style-type: none"> • Planning provides current and on-going benefits through the sustainable development of Council/Community vision • The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. • Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
Building Control	Environmental services	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, accountability	MODERATE		MAJOR						<ul style="list-style-type: none"> • Building control provides current and on-going benefits through the sustainable development of Council/Community vision • The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. • Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Health Regulation	Environmental services	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, Community	Ongoing	Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE						<ul style="list-style-type: none"> • Health regulation - Direct inspection and licensing costs are recovered from premises involved. • Health regulation - As there is a collective benefit remaining costs are met by the general ratepayer.(Public Goods)
Dog/Stock Control	Environmental services	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MINOR		MAJOR						<ul style="list-style-type: none"> • The benefit of having effective dog control is shared equally by all in the district. • As the need for the activity is created by dog owners, the majority of costs are to be met by those generated the need
Other Regulation	Environmental services	<ul style="list-style-type: none"> • Growing the local economy • Affordable, quality services • Personal and property safety • Sustainable management of the environment 	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MAJOR		MODERATE						<ul style="list-style-type: none"> • 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. • Enforcement - As there is a collective benefit remaining costs are met by the general ratepayer.
Greymouth Aerodrome	Other transport	<ul style="list-style-type: none"> • Growing the local economy 	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE						<ul style="list-style-type: none"> • With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. • 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

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Parking	Other transport	<ul style="list-style-type: none"> Growing the local economy 	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, Accountability	MODERATE		MAJOR						<ul style="list-style-type: none"> Costs are recovered from users of dedicated parking facilities Parking Regulation/enforcement costs are recovered from fines 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.
Port of Greymouth	Other transport	<ul style="list-style-type: none"> Growing the local economy 	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE	MODERATE	MODERATE <i>(to fund operating deficits in the short term)</i>		MAJOR <i>(lease revenue)</i>	<ul style="list-style-type: none"> With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. 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 	
Retirement Housing	Property and housing	<ul style="list-style-type: none"> Growing the local economy Affordable quality services. Personal and Property safety 	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR				MAJOR <i>(internal recoveries against activities)</i>	<ul style="list-style-type: none"> Costs not significantly impacted by actions or inactions of individuals or groups. No compelling case to provide rates funding based on affordability or wider social consideration. Appropriate policy for this activity. 	
Property	Property and housing	<ul style="list-style-type: none"> Growing the local economy Affordable quality services. Personal and Property safety 	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR					<ul style="list-style-type: none"> Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property). 	

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Libraries	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR						<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Swimming Pools	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability	MAJOR		MODERATE						<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Heritage, Arts & Culture	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR						<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Indoor Sport Centres	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MAJOR						<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Cemeteries	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE	MINOR					<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Parks and Tracks	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR						<ul style="list-style-type: none"> • User fees recovered where practical and to a level deemed affordable for users. • Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Council's In-house task force	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								<ul style="list-style-type: none"> • Provides a general benefit to the district having quality facilities - balance of costs met through general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Public Restrooms	Community facilities	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building local identity 	Individuals, Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								<ul style="list-style-type: none"> • Provides a general benefit to the district having quality facilities
Council	Democracy & administration	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building identity 	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR						MINOR <i>(interest revenue)</i>	<ul style="list-style-type: none"> • Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates. 	
Public consultation	Democracy & administration	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building identity 	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR							<ul style="list-style-type: none"> • Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates. 	
Council's Administration	Democracy & administration	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building identity 	Community	Ongoing	Community	Has unique funding requirements, Accountability	MINOR <i>(rate penalties)</i>		MINOR				MAJOR <i>(internal recoveries from activities)</i>	<ul style="list-style-type: none"> • The majority of costs are recovered via an overhead allocation against other activities based on the appropriate cost drivers 	
Economic development	Democracy & administration	<ul style="list-style-type: none"> • Growing the local economy • Affordable quality services • Building identity 	Individuals, businesses	Ongoing	Individuals, businesses	Has unique funding requirements, Accountability	MODERATE	MAJOR		MODERATE				<ul style="list-style-type: none"> • Seek external subsidies where possible. • Commercial/Industrial ratepayers receive benefit of economic development and promotion – contribute via a targeted rate. • Balance non-exclusive service providing benefit to the wider community 	

5. Funding needs analysis – new capital expenditure

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Roading & footpaths	Land transport	<ul style="list-style-type: none"> Growing all aspects of the local economy creating opportunities for all and the District is seen as strong and resilient Providing affordable, quality essential services 	Community	Ongoing	Users, Growth	Significant activity, Accountability	MAJOR			MAJOR	MODERATE		MINOR		<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers 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.
Management of Stormwater systems	Stormwater	<ul style="list-style-type: none"> Growing the local economy Affordable, quality services Personal and property safety Sustainable management of the Environment 	Users Community	Ongoing	Landowners, Growth	Significant activity, Accountability					MODERATE	MAJOR	MINOR		<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Flood prevention. This includes maintaining urban watercourses	Stormwater	<ul style="list-style-type: none"> Growing the local economy Affordable, quality services Personal and property safety Sustainable management of the Environment 	Community	Ongoing	Landowners, Growth	Significant activity, Accountability					MODERATE	MAJOR			<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	<ul style="list-style-type: none"> Growing the local economy Affordable, quality services Personal and property safety Sustainable management of the Environment 	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Water supply - treatment and reticulation	Water Supply	<ul style="list-style-type: none"> Growing the local economy Affordable, quality services Personal and property safety 	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Landfill and recycling management	Solid waste management	<ul style="list-style-type: none"> Growing the local economy Affordable, quality services Personal and property safety Sustainable management of the environment 	Users, Community	Ongoing	Users, Growth	Significant activity, Accountability					MINOR	MAJOR			<ul style="list-style-type: none"> New capital is driven by the need for additional landfill capacity. Majority of costs are loan funded to be repaid over the useful life of the asset.
Rural Fires	Emergency management	<ul style="list-style-type: none"> Growing the local economy Personal and property safety 	Individuals, businesses	Ongoing	Individuals	Has unique funding requirements, accountability				MODERATE		MAJOR			<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Greymouth Aerodrome	Other transport	<ul style="list-style-type: none"> Growing the local economy 	Users	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			<ul style="list-style-type: none"> With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. 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
Parking	Other transport	<ul style="list-style-type: none"> Growing the local economy 	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, accountability					MAJOR	MAJOR			<ul style="list-style-type: none"> New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new users. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Port of Greymouth	Other transport	<ul style="list-style-type: none"> Growing the local economy 	Users	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			<ul style="list-style-type: none"> For the development of new facilities much of the benefit will be gained by future users therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.
Retirement Housing	Property and housing	<ul style="list-style-type: none"> Growing the local economy Affordable quality services. Personal and Property safety 	Individuals	Ongoing	Users, Growing demand	Has unique funding requirements, accountability				MODERATE	MODERATE	MAJOR			<ul style="list-style-type: none"> New capital driven by increased demand for facilities. Council will endeavour to obtain any available subsidies with remaining costs to be met from specific funds set aside and borrowing.
Property	Property and housing	<ul style="list-style-type: none"> Growing the local economy Affordable quality services. Personal and Property safety 	Individuals	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			<ul style="list-style-type: none"> Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).
Libraries	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability	MAJOR		MINOR		MODERATE	MODERATE			<ul style="list-style-type: none"> New collection additions are progressively added from annual rates/user fee revenue. New library development would be funded from specific funds set aside and borrowing
Swimming Pools	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			<ul style="list-style-type: none"> New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Heritage, Arts & Culture	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			<ul style="list-style-type: none"> New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.
Indoor Sport Centres	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			<ul style="list-style-type: none"> New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.
Cemeteries	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			<ul style="list-style-type: none"> 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, after any specific funds set aside are utilised.
Parks and Tracks	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			<ul style="list-style-type: none"> 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, after any specific funds set aside are utilised.
Public Restrooms	Community facilities	<ul style="list-style-type: none"> Growing the local economy Affordable quality services Building local identity 	Individuals, Community	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			<ul style="list-style-type: none"> 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, after any specific funds set aside are utilised.

[appendix B] Significance & Engagement Policy

The Local Government Act 2002 Amendment Bill (No 3) introduced the requirement to prepare a Significance and Engagement Policy. While the significance policy requirement is not new, the requirement to outline how Council will respond to community preferences about engagement on particular issues, assets or other matters, is new.

The Grey District Council Significance and Engagement Policy was developed to give the community certainty about different processes Council will use for different types of decision-making. It also outlines what factors the Council will take into account when deciding how to determine a 'significant' decision and the procedures to be followed.

This policy clarifies:

- What a 'significant' decision is;
- What a Special Consultative Procedure is and why/when it would be used;
- What 'engagement' is and when/how it would be used; and
- When Council won't consult or engage.

This new policy superceded Council's Significance Policy, which was adopted as part of the Long Term Plan 2012-2022, and the informal policy on Consultation with Community.

Significance & Engagement Policy

Adopted 26 November 2014

1. Purpose and Scope

1. To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. This will determine the level of research and assessment and information to be provided, the nature and extent of public input and the extent to which the decision-making requirements will be met.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

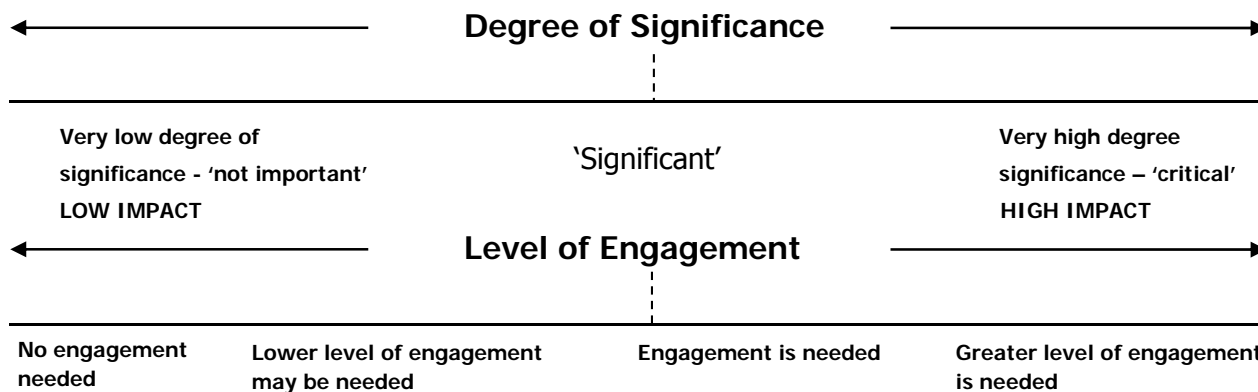
2. Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant.
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significance	As defined in Section 5 of the Local Government Act (LGA) 2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,— (a) the district or region; (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so
Strategic asset	As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes— (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and (c) any equity securities held by the local authority in— (i) a port company within the meaning of the Port Companies Act 1988: (ii) an airport company within the meaning of the Airport Authorities Act 1966”

3. Policy

1. Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.

2. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
3. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:
 - There is a legal requirement to engage with the community.
 - The level of financial consequences of the proposal or decision.
 - Whether the proposal or decision will affect a large portion of the community.
 - The likely impact on present and future interests of the community, recognising Māori culture values and their relationship to land and water.
 - Whether the proposal affects the level of service of a significant activity.
 - Whether community interest is high.
 - Whether the likely consequences are controversial.
 - Whether community views are already known, including the community’s preferences about the form of engagement.
 - The form of engagement used in the past for similar proposals and decisions.
4. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
5. In general, the more significant an issue, the greater the need for community engagement.



6. The Council will apply a consistent and transparent approach to engagement.
7. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 or to carry out consultation in accordance with or giving effect to Section 82 of the LGA 2002 on certain matters (regardless of whether they are considered significant as part of this policy). Please refer to *Appendix 2*.
8. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

9. The Community Engagement Guide (refer to *Schedule 2*) identifies the form of engagement Council may use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
10. When engaging with Māori, Council acknowledges that face to face meetings are preferred. Other tools such as Heads of Agreements, Memorandums of Understanding or any other similar high level agreements may also be considered.
11. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.
12. This Policy will be reviewed every three years as part of the Long Term Plan Special Consultative Procedure.

SCHEDULE 1– STRATEGIC ASSETS

Section 5 of the LGA 2002 requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
 - (i) A port company within the meaning of the Port Companies Act 1988
 - (ii) An airport company within the meaning of the Airport Authorities Act 1966

Grey District Council Strategic Assets

The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

- 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
- Solid Waste
- Port
- Floodwalls

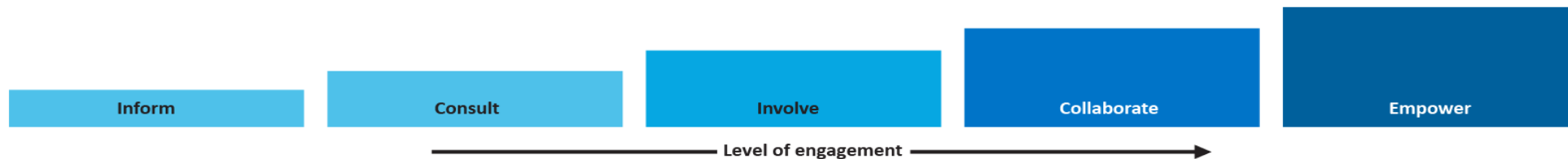
SCHEDULE 2 – COMMUNITY ENGAGEMENT GUIDE

Community engagement is a process which involves all or some of the public and is focussed on decision-making or problem-solving. Engagement provides an opportunity for the public to express a view on the decision or proposal being considered by the Council. The community views expressed through an engagement process will be considered and taken into account, along with other information such as costs and benefits, legislative requirements and technical advice.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders, there is no expectation of receiving feedback and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



When the Council will engage

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- Transfer the ownership or control of strategic assets as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amending the Annual Plan if required under section 95 of the LGA 2002
- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a Council-controlled organisation (CCO)
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002 and will make this available to the public, allow written submissions for a period of up to four (4) weeks and will consider all submissions prior to making decisions.

When the Council may not engage

Information is always necessary for the decision-making process. However, there are times when it is not necessary, appropriate or possible to engage the community on a matter or decision. The Council may also choose not to consult on a matter and, if so, will make this determination in accordance with the criteria below and notwithstanding any legislative requirements.

The Council will not engage when:

- The matter is not of a nature or significance that requires consultation (LGA 2002, s82(4)(c); or
- The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter (s82(4)(b) LGA 2002); or
- There is a need for confidentiality or commercial sensitivity (s82(4)(d) LGA 2002); or
- The costs of consultation outweigh the benefits of it (s82(4)(e) LGA 2002); or
- The matter has already been addressed by the Council's policies or plans, which have previously been consulted on; or
- An immediate or quick response or decision is needed or it is not reasonably practicable to engage; or
- Works are required unexpectedly or following further investigations on projects, already approved by the Council; or
- Business as usual - the works required are related to the operation and maintenance of a Council asset and responsible management requires the works to take place; or
- When Council has consulted on the issue in the last 24 months.

Where the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (LGA 2002 section 78 (1)). The LGA 2002 requires that this consideration be in proportion to the significance of the matters affected by the decision (section 79 (1)).

Principles of engagement

- We will be genuine in our consultation and engagement
- We will have an open mind to community feedback before making decisions
- We will give our community a timely opportunity to have a say
- We will provide good information for feedback and, wherever possible, enable the community to consider options relating to the decision
- We will not treat consultation or engagement as a poll or a referendum; feedback will be weighted accordingly with other considerations
- We will always provide feedback to those who took the trouble to give us their opinions and we will explain our decisions

When seeking your feedback or input we will let you know:

- What is being proposed
- Why it is being proposed

- What options we have
- What the impacts are (if any)
- How you can have a say
- The timeframes
- How we will communicate the outcome to you

In addition we may add – if we know:

- What our preferred option is
- Any costs and rating impact if we know

For all other issues, the following table provides **an example** of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of issues that we might use this for	Water restrictions	Rates review	District Plan	Community Economic Development Strategy	Election voting systems (MMP, STV or first past the post)
Tools Council might use	Websites Social media Information flyer Public notices	Formal submissions and hearings, focus groups, phone surveys, on-line surveys	Workshops Focus groups	External working groups (involving community experts)	Binding referendum Local body elections
When the community can expect to be involved	Council would generally advise the community once a decision is made.	Council would advise the community once a draft decision is made Council and would generally provide the community with up to four (4) weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process, e.g. typically a month or more.

Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets.

Should an identifiable resident or group of residents be affected by any action proposed to be taken, such resident or group of residents will be consulted specifically in addition to the formal consultation undertaken with the general public, either by means of a letter or a personal meeting.

Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

APPENDIX 1: SIGNIFICANCE AND ENGAGEMENT POLICY LEGISLATION

From the “Local Government Act 2002 Amendment Bill (No 3)”:

“76AA Significance and engagement policy

- (1) Every local authority must adopt a policy setting out—
 - (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
 - (b) any criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
 - (c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
 - (d) how the local authority will engage with communities on other matters.
- (2) The purpose of the policy is—
 - (a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
 - (b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
 - (c) to inform the local authority from the beginning of a decision-making process about—
 - (i) the extent of any public engagement that is expected before a particular decision is made; and
 - (ii) the form or type of engagement required.
- (3) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.”

APPENDIX 2: SPECIAL CONSULTATIVE PROCEDURE LEGISLATION

From the “Local Government Act 2002 Amendment Bill (No 3)”:

“83 Special consultative procedure

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
 - (a) prepare and adopt—
 - (i) a statement of proposal; and
 - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
 - (b) ensure that the following is publicly available:
 - (i) the statement of proposal; and
 - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
 - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
 - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
 - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
 - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
 - (i) is given a reasonable opportunity to do so; and
 - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audio-visual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.”

[appendix C] Council Controlled Organisations (CCO's)

Council is involved with three organisations that meet the definition of a Council Controlled Organisation (CCO) per the Local Government Act 2002. They are:

- Tourism West Coast – exempted 9 March 2015
- West Coast Rural Fire Authority - exempted 9 March 2015
- West Coast Recreation Trust - exempted 9 March 2015

Council decided to exempt these organisations as CCOs due to the relatively small nature and limited scope of the respective organisations. The exemptions must be reviewed every three years and can be revoked at any time.

Tourism West Coast and West Coast Rural Fire Authority

The above two organisations are Council Controlled Organisations (CCO's) by virtue of the fact that over 50% of the votes are under control of local authorities. Council has not set any specific policies or objectives in the long term plan with regard to control of these organisations, nor any specific key performance targets or other measures.

They do however fall under the following group of activities as reported on earlier in this report:

- Tourism West Coast: [d][11] Democracy and administration
- West Coast Rural Fire Authority: [d] [6] emergency management

It is noted that Council has exempted both these organisations under section 7(3) of the Local Government Act 2002. This exemption was renewed on 12 March 2013.

West Coast Recreation Trust

Council signalled in the 2012-2022 LTP that the proposed Westland Recreation Centre (the Centre) would be funded fully from external grants, donations and sponsorship. Since the Council cannot qualify as a charitable organisation, it was decided that an independent charitable trust should be formed to be used as a funding vehicle for the Centre. The proposal was consulted on with the community from 10 July to 10 August 2012 and Council resolved to form the West Coast Recreation Centre Trust, a CCO, on 27 August 2012. The Council has exempted the CCO under section 7(3) of the Local Government Act 2002; however a Statement of Intent has been prepared, consulted upon, and adopted by Council. This statement of intent narrows the purpose of the Trust and sets a key performance target. The target is to deliver the funding required to complete the Westland Recreation Centre.

[appendix D] 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.

[appendix E] Fees and charges

1 Council services and facilities

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.

Administration - Charge Out Rates

	2014/2015 fee including GST	2015/2016 fee including GST
Management/CEO	\$161.50	\$164.50
Engineers	\$130.00	\$132.50
Engineering Assistants/Officers	\$104.00	\$106.00
Planners	\$130.00	\$132.50
Building Officers	\$130.00	\$132.50
Monitoring Staff	\$109.50	\$111.50
Animal Control Officer	\$109.50	\$111.50
Administration/Customer Service Officers	\$78.00	\$79.50

Fees and actual time hours are recoverable from applicants

Aerodrome

	2014/2015 fee including GST	2015/2016 fee including GST
Aircraft weight (kg) MCTOW		
0 - 600	<i>per landing</i>	\$6.00
601 - 1,500	<i>per landing</i>	\$10.00
1,501 - 2,500	<i>per landing</i>	\$16.00
2,501 - 3,500	<i>per landing</i>	\$24.00
3,501 - 4,500	<i>per landing</i>	\$35.00
4,501 - 5,700	<i>per landing</i>	\$49.00
Helicopters	<i>per landing</i>	\$6.00
Note:		
<ul style="list-style-type: none"> • Touch and go Practice Landings treated as One Landing • Discounts and flat fees available for bulk advanced payments by regular users and/or clubs • Rates for aircraft weights above 5700kg available on application and clearance to use facility 		
Lights	<i>per activation</i>	\$7.00
account processing fee	<i>per account processing</i>	\$8.00

Animal Control

	2014/2015 fee including GST	2015/2016 fee including GST
Dog Registration		
Pet	\$87.00	\$88.50
Desexed	\$64.50	\$65.50
Working	\$37.00	\$37.50
Late Regn	\$130.50	\$132.80
Dog & Stock Impounding		
1st Offence	\$70.00	\$71.50
2nd Offence	\$139.50	\$142.50
3rd Offence	\$208.00	\$212.50
Sustenance (per day)	\$12.00	\$12.00
After Office Hours		
Applicable Fee above Plus	staff hourly rate + mileage	staff hourly rate + mileage

Grey District Aquatic Centre

	2014/2015 fee including GST	2015/2016 fee including GST
Pool Admission		
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 Pre-schooler	\$5.00	\$5.00
Family Passes		
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
Spectators	free	free
Membership admission		
Adult	<i>3 months</i>	\$167.00
	<i>6 months</i>	\$305.00
	<i>12 months</i>	\$554.00
Community Card Holder	<i>3 months</i>	\$134.00
	<i>6 months</i>	\$244.00
	<i>12 months</i>	\$443.50
Children	<i>3 months</i>	\$100.00

	<i>6 months</i>	\$183.50	\$183.50
	<i>12 months</i>	\$333.00	\$333.00
Corporate	<i>12 months (150 swims)</i>	\$554.00	\$554.00
Swim concessions			
Adult	<i>10 swims</i>	\$48.50	\$48.50
	<i>20 swims</i>	\$97.00	\$97.00
Community Card Holder	<i>10 swims</i>	\$36.00	\$36.00
	<i>20 swims</i>	\$72.00	\$72.00
Children	<i>10 swims</i>	\$29.50	\$29.50
	<i>20 swims</i>	\$58.50	\$58.50
Hydroslide			
Adult	<i>unlimited rides during session</i>	\$5.50	\$5.50
Community Card Holder (CCH)	<i>unlimited rides during session</i>	\$4.50	\$4.50
Children (under 15 yrs)	<i>unlimited rides during session</i>	\$3.50	\$3.50
Aqua Jogging			
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	\$42.00
<i>Group bookings and school rates available - enquire at pool</i>			

Building		2014/2015 fee including GST	2015/2016 fee including GST
Except for Set Fees, all Fees Listed are <u>Deposits</u> . Balance of charges will be charged at the rates specified			
Charged to all consent applications			
Building Consent Accreditation levy	<i>per \$1,000 of building work</i>	\$2.43	\$2.48
Set Fees			
BWOF - receiving and checking on or before due date		\$172.00	\$175.50
BWOF - receiving and checking after due date		\$344.00	\$351.00
BWOF Audits		at cost	at cost
Consent extension request		\$104.50	\$107.00
Deposits Only (Costs to be Charged based on Actual Time)			
PIM (only)	<i>deposit only</i>	\$195.50	\$199.50
CCC processing fee (applied to all consents with deposit based fees)	<i>deposit only</i>	\$235.50	\$240.50

Schedule 1 exemption application	<i>deposit only</i>	\$150.00	\$150.00
Deposits Only, CCC fee included (Costs to be Charged based on Actual Time)			
Fire Installations	<i>deposit only</i>	\$416.50	\$425.00
Minor building works (<\$5,000 and not listed elsewhere in this schedule)	<i>deposit only</i>	\$468.50	\$478.00
Minor plumbing & drainage (incl separation of services where no septic tank)	<i>deposit only</i>	\$424.00	\$432.50
Separation of services with disconnection of septic tank	<i>deposit only</i>	\$580.00	\$592.00
Relocated buildings	<i>deposit only</i>	\$1,598.50	\$1,630.50
Marquees	<i>deposit only</i>	\$257.00	\$262.50
Residential - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)			
Garages/carports	<i>deposit only</i>	\$696.50	\$710.50
Garden Sheds	<i>deposit only</i>	\$696.50	\$710.50
Minor Alterations	<i>deposit only</i>	\$904.50	\$923.00
Major Alterations	<i>deposit only</i>	\$1,534.00	\$1,565.00
Pre-fab construction dwellings	<i>deposit only</i>	\$2,508.50	\$2,559.00
New Dwellings	<i>deposit only</i>	\$3,371.50	\$3,439.00
Multi-Unit Residential	<i>deposit only</i>	\$4,807.50	\$4,904.00
Demolition - large /commercial		\$674.50	\$688.00
Demolition - residential		\$356.50	\$364.00
Industrial/Commercial - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)			
Minor alterations	<i>deposit only</i>	\$986.50	\$1,006.50
Major Alterations	<i>deposit only</i>	\$2,589.50	\$2,641.50
Farm Buildings	<i>deposit only</i>	\$613.50	\$626.00
Workshops	<i>deposit only</i>	\$1,588.00	\$1,620.00
Dairy sheds	<i>deposit only</i>	\$2,873.50	\$2,931.00
Shop/Office - single	<i>deposit only</i>	\$3,452.50	\$3,522.00
Shop/Office - complex	<i>deposit only</i>	\$5,172.50	\$5,276.00
Industrial/commercial multi-function complex	<i>deposit only</i>	\$8,334.50	\$8,501.50
Outbuildings	<i>deposit only</i>	\$696.50	\$710.50
Ancillary	<i>deposit only</i>	\$696.50	\$710.50
Communal residential			
Community service	<i>deposit only</i>	\$5,172.50	\$5,276.00
Community care	<i>deposit only</i>	\$5,172.50	\$5,276.00
Communal non-residential			
Assembly service	<i>deposit only</i>	\$5,172.50	\$5,276.00

Assembly care	<i>deposit only</i>	\$5,172.50	\$5,276.00
Certificate of Public Use		\$268.50 flat fee plus hourly rate	\$268.50 flat fee plus hourly rate
Compliance Schedule		\$268.50 flat fee plus hourly rate	\$268.50 flat fee plus hourly rate
Consultants/Peer Review		at cost	at cost
Comments on Draft Applications/Pre application advice (note first HALF HOUR free then staff hourly rates)		staff hourly rates	staff hourly rates
Detailed Engineering Evaluations (DEE) for Earthquake Prone Buildings		recovered at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building	recovered at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building
Enforcement			
Swimming pool re-inspection		\$102.00	\$104.50
Legal advice and Consultants		\$369.50/hour (not more than)	\$369.50/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			

Cemeteries

	2014/2015 fee including GST	2015/2016 fee including GST
Plot Purchase	\$402.70	\$410.80
Ashes Lawn	\$107.80	\$110.00
Cremation Berm	\$161.70	\$165.00
Baby Plots	\$94.40	\$96.30
RSA Plots	No Charge	No Charge
Paupers' Plots	No Charge	No Charge
Single Plot	\$604.30	\$616.40
Ashes Lawn	\$161.70	\$165.00

Cremation Berm		\$161.70	\$165.00
Baby Plots		\$121.00	\$123.50
RSA Plots		No Charge	No Charge
Paupers' Plots		No Charge	No Charge
Interment			
12 years and over		\$335.80	\$342.60
Under 12 Years		\$134.40	\$137.10
Stillborn		\$67.60	\$69.00
Ashes		\$134.40	\$137.10
Disinterment		\$430.10	\$438.80
Re-interment		\$430.10	\$438.80
Extra Depth (over 6ft)		\$134.40	\$137.10
Weekend & Public Holidays	<i>additional charge</i>	\$241.80	\$246.70
Lowering Device		\$48.00	\$49.00
Memorial Permit		\$34.50	\$35.20

Civic Centre

		2014/2015 fee including GST	2015/2016 fee including GST
Hire			
Hourly Charge	<i>per hour</i>	\$24.70	\$25.20
Other			
Light Meters		\$6.20	\$6.30

Health

		2014/2015 fee including GST	2015/2016 fee including GST
Food Licensing			
Food Gr 1		\$487.00	\$497.00
Food Gr 2		\$703.50	\$718.00
Food Gr 3		\$937.50	\$956.50
No Kitchen facilities		\$235.50	\$240.50
Hairdressers		\$447.00	\$456.00
Camping/Offensive Trades		\$447.00	\$456.00

History House

	2014/2015 fee including GST	2015/2016 fee including GST
Admission		
Adults	\$6.50	\$6.50
Children	\$2.50	\$2.50
<i>Ratepayer Concession. Paid entry allows free return entry for the following 12 months</i>		

Libraries

	2014/2015 fee including GST	2015/2016 fee including GST
Loan		
Best seller	<i>per book per 2 weeks</i>	\$2.00
Popular Fiction (GT \$20.00)	<i>per book</i>	\$1.00
Popular Fiction (LT \$20.00)	<i>per book</i>	\$1.00
Erudite & NZ fiction (20% fiction)		No charge
Non-Fiction	<i>per book</i>	No charge
All children's materials	<i>per book</i>	No charge
Large Print	<i>per book</i>	\$1.00
Large print subscription	<i>per year</i>	\$12.50
Talking Books/audios	<i>per unit</i>	\$1.00
NO CHARGE - children's & people with disabilities)		
DVDs (Adults)	<i>per unit per week</i>	\$2.00
Magazines	<i>Per unit per week</i>	\$0.50
Fines		
ADULTS and YOUNG ADULTS CARDS	<i>per day (max \$10 per item)</i>	\$0.30
CHILDRENS CARDS	<i>per day (max \$3.50 per item)</i>	\$0.10
Other		
Book Reserve Fee	<i>per book</i>	\$1.00
Non Resident Subscription	<i>per annum (part charges available)</i>	\$5.00
Replacement Library Card	<i>each</i>	\$5.00
Internet Use	<i>per 15min</i>	\$2.50
Internet Use	<i>per 30min</i>	\$4.00
Internet Use	<i>per 45 min</i>	\$5.00
Internet Use	<i>per hour</i>	\$6.50
Interloan from National Library of New Zealand and Interloan partnership libraries	<i>per book</i>	\$6.70

Interloan with libraries without agreement	<i>per book plus any other charges above standard charges</i>	\$22.00	\$22.00
Damaged Book Charges		at cost	at cost
Photocopying			
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
Aotearoa People's Network printing	<i>Single side</i>	\$0.20	\$0.20
	<i>Double side</i>	\$0.30	\$0.30

Official Information

		2014/2015 fee including GST	2015/2016 fee including GST
Property file queries	<i>per hour</i>	\$79.00	\$81.00
LIMs		\$278.00	\$284.00

Other Regulation

		2014/2015 fee including GST	2015/2016 fee including GST
Advertising Signs Fees		\$98.50	\$100.50
Hawkers Fees		\$171.00	\$174.50
Itinerant Traders Fees		\$171.00	\$174.50
Abandoned Vehicles			
Towage		\$630.50 + COST	\$630.50 + COST
Inspection & Administration	<i>per hour</i>	staff hourly rate + mileage	staff hourly rate + mileage
Storage of Vehicle	<i>per day</i>	\$11.00	\$11.50
Amusement Devices			
One Device		\$17.50	\$18.00
Each Additional Device		\$4.70	\$4.80
Each Device for a further period of 7 days		\$2.60	\$2.70
OTHER ENFORCEMENT			
Legal advice and Consultants		\$362/hour (not more than)	\$362/hour (not more than)

Parking

No increase for carpark rentals

Contact Corporate Services for availability and details

Planning

2014/2015 fee
including GST

2015/2016 fee
including GST

All Fees Listed are Deposits. Balance of charges will be charged at the rates specified

Subdivisions

Boundary Adjustments	<i>deposit only</i>	\$430.00	\$439.00
Non-notified (2 - 5 lots)	<i>deposit only</i>	\$730.50	\$745.50
Non-notified (6 - 10 lots)	<i>deposit only</i>	\$1,398.00	\$1,426.00
Non-notified (11+ lots)	<i>deposit only</i>	\$1,899.00	\$1,937.00
Public notification - subdivision	<i>deposit only</i>	\$1,214.50	\$1,239.00
s224 - without inspection	<i>deposit only</i>	\$279.00	\$285.00
s224- with one inspection	<i>deposit only</i>	\$430.00	\$439.00
s226 certificate	<i>deposit only</i>	\$546.50	\$557.50
Other certificates (e.g. s223)	<i>deposit only</i>	\$156.50	\$160.00
Esplanade reserve reduction/waiver	<i>deposit only</i>	\$507.50	\$518.00
Reapproval lapsed consent	<i>deposit only</i>	\$546.50	\$557.50
ROW/Easement amendments	<i>deposit only</i>	\$385.00	\$393.00

Land Use Consents

Hazardous substances	<i>deposit only</i>	\$607.50	\$620.00
Signs	<i>deposit only</i>	\$546.50	\$557.50
Relocated buildings	<i>deposit only</i>	\$430.00	\$439.00
Bulk & locn/recession plane/setback	<i>deposit only</i>	\$463.00	\$472.50
Heritage	<i>deposit only</i>	\$430.00	\$439.00
Non-rural/residential activities	<i>deposit only</i>	\$914.00	\$932.50
Utilities	<i>deposit only</i>	\$546.50	\$557.50
Vegetation clearance	<i>deposit only</i>	\$507.50	\$518.00
Sub-sized lots	<i>deposit only</i>	\$852.50	\$870.00
Limited Notification - Land Use*	<i>deposit only</i>	\$852.50	\$870.00
Public Notification - Land Use*	<i>deposit only</i>	\$1,276.50	\$1,302.50

* Notification fee is in addition to deposit for consent type

Plan Changes

District Plan Changes - major	<i>deposit only</i>	\$13,712.50	\$13,987.00
District Plan Changes - minor	<i>deposit only</i>	\$6,859.50	\$6,997.00

Other				
Designation/Heritage Order	<i>deposit only</i>		\$2,767.50	\$2,823.00
Alteration of designation	<i>deposit only</i>		\$1,109.00	\$1,131.50
Certificate of compliance	<i>deposit only</i>		\$279.00	\$285.00
s357 objection	<i>deposit only</i>		\$419.00	\$427.50
Consent variation - non-notified	<i>deposit only</i>		\$379.50	\$387.50
Consent variation - notified	<i>deposit only</i>		\$724.50	\$739.00
Outline Plan	<i>deposit only</i>		\$279.00	\$285.00
Comments on Draft Applications/Pre application advice (note first HALF HOUR free then staff hourly rates)			staff hourly rates	staff hourly rates
Consultants/Peer Review			\$185/hour (not more than)	\$185/hour (not more than)
Legal advice			\$369.50/hour (not more than)	\$369.50/hour (not more than)
Hearings - Commissioner			\$1,471/day (not more than)	\$1,471/day (not more than)
- Facilities			\$185/hour (not more than)	\$185/hour (not more than)
Monitoring Levy	<i>flat fee paid upon granting of land-use consent</i>		\$127.50	\$130.50
Resource Consent Monitoring of Conditions			staff hourly rates	staff hourly rates

Retirement Housing

Rental Units to increase in 2015/2016 by \$3.00 per week
 Contact Corporate Services for availability and details

Roading

	2014/2015 fee including GST	2015/2016 fee including GST
Consent to Undertake Work on Road	nil	nil

Rural Fire

	2014/2015 fee including GST	2015/2016 fee including GST
Rural Fire Permit	nil	nil

Sewerage

		2014/2015 fee including GST	2015/2016 fee including GST
Financial Contributions			
Moana	<i>per lot</i>	\$4,985.00	\$5,085.00
South Beach/Paroa	<i>per lot</i>	\$11,941.00	\$12,180.00
Karoro	<i>per lot</i>	\$2,865.00	\$2,923.00
Boddytown		\$1,472.00	\$1,502.00
Cobden		\$2,081.00	\$2,123.00
Greymouth		\$1,472.00	\$1,502.00
Blackball		\$839.00	\$856.00
Other contributions to proposed 'as required' works may be set through separate consultative procedures			
Trade Waste Charges			
All Greymouth wastewater treatment plants	<i>per cubic metre</i>	\$0.62	\$0.64
Blackball Treatment plant	<i>per cubic metre</i>	\$0.62	\$0.64
Karoro Treatment plant	<i>per cubic metre</i>	\$0.62	\$0.64
Runanga treatment plant	<i>per cubic metre</i>	\$0.62	\$0.64

Solid Waste (Refuse & Recycling)

		2014/2015 fee including GST	2015/2016 fee including GST
McLeans Landfill			
see facilities/Council for a full list of charges			
Refuse			
Commercial Refuse*	<i>per tonne</i>	\$275.00	\$280.00
Mixed Domestic Waste*	<i>per tonne</i>	\$275.00	\$280.00
Hardfill/Soil*	<i>per tonne</i>	\$275.00	\$280.00
TVs and ewaste*	<i>per tonne</i>	new	\$280.00
Refuse Bag with Council issued tie	<i>per bag</i>	Free	Free
Refuse Bag without Council issued tie*	<i>per bag</i>	\$4.00	\$4.00
* minimum charge per weighbridge entrance (trip over weighbridge)		\$12.00	\$12.00
Tyres			
Car, Motorbike	<i>per tyre</i>	\$6.30	\$6.50
4WD	<i>per tyre</i>	\$6.30	\$6.50
Truck	<i>per tyre</i>	\$11.50	\$11.80
Tractor	<i>per tyre</i>	\$12.00	\$12.30
Specialist Industrial	<i>per tyre</i>	\$27.00	\$27.60

Other

Unprepared Car Bodies	<i>per car</i>	\$51.90	\$53.00
Paint/Solvents	<i>per litre</i>	\$2.20	\$2.30

McLeans Recycling Centre

Recyclables

Recyclable Plastics		Free	Free
Recyclable Paper		Free	Free
Recyclable Cardboard		Free	Free
Recyclable Aluminium Cans		Free	Free
Recyclable Tin Cans		Free	Free
Recyclable Glass		Free	Free
Recyclable Light Scrap Metal		Free	Free
Recyclable Heavy Scrap Metal		Free	Free
Recyclable Whiteware		Free	Free
Empty LPG Bottles		Free	Free
Prepared Car Bodies		Free	Free

Green waste

Garden matter, leaves, branches, weeds, unsprayed lawn clippings (no cabbage tree leaves)

Domestic & Commercial - large vehicles incl. Trailers	<i>per tonne</i>	Free	Free
Domestic station wagons/small 4x4's	<i>fixed fee</i>	Free	Free

Spring Creek Swimming Pool

2014/2015 fee including GST 2015/2016 fee including GST

Pool Admission

Adult		\$3.50	\$3.50
Child/Student		\$2.50	\$2.50
Parent/Caregiver and Pre-schooler		\$3.50	\$3.50

Family Passes

2 adults and 2 children		\$10.00	\$10.00
1 adult and 2 children		\$7.50	\$7.50
1 adult and 1 child		\$5.00	\$5.00

Swim Concessions

Adult	<i>10 swims</i>	\$31.00	\$31.00
	<i>20 swims</i>	\$62.00	\$62.00
Children	<i>10 swims</i>	\$23.00	\$23.00
	<i>20 swims</i>	\$46.00	\$46.00

2 Port of Greymouth

All rates include GST

FISHING/RECREATIONAL/CHARTER: ACCESS FEES (all vessels)

Vessel LOA (m)	per entry	unlimited movements 12 months paid in advance	unlimited movements 6 months paid in advance	unlimited movements 3 months paid in advance
0 - 10	30.70	920.70	491.10	260.80
10 - 14	44.60	1,335.50	712.20	378.50
14 - 16	70.20	2,104.40	1,122.30	596.30
16 - 18	105.20	3,156.50	1,683.50	894.50
18 - 20	157.20	4,715.00	2,514.70	1,336.00
20 - 24	196.50	5,893.40	3,143.20	1,669.80
24 - 28	233.30	6,998.60	3,732.60	1,982.90

FISHING: BERTHAGE (at Council berth)

per day	<i>per m (LOA)</i>	2.60
Annual (paid 6 monthly in advance)	<i>per m (LOA)</i>	168.40

FISHING: WHARFAGE and OTHER (at Council wharf)

Any species	<i>per tonne</i>	5.60
Martins Quay Crane Hire	<i>per tonne</i>	12.30
Wharf Space Occupied by Processors, Fuel Pumps	<i>per m2</i>	79.60
Rental of Port Operational Land Occupied by Containers, Storage etc	<i>per m2</i>	24.30

CARGO & PASSENGER

Berthage	unit	
Ships, Tugs, Barges Berthage - per day	/ gross registered tonne	0.20
Ships, Tugs, Barges Berthage - per day	minimum	288.10
Ships, Tugs, Barges Lay Up Berthage - per day	/ gross registered tonne	0.20
Ships, Tugs, Barges Lay Up Berthage - per day	minimum	230.50
Mooring (Line Services)	/ staff hour	65.40
Wharfage and other	unit	
Timber	max of m3 or tonne	10.10
Logs	max of m3 or tonne	5.30
Coal Wharfage	/ tonne	6.10
Coal Stockpile and Resource Management	/ tonne shipped	1.60
Gravel, Aggregate, Rock	/ tonne	4.50
Fertiliser	/ tonne	6.00
Motor Vehicles	each	97.50
Containers - Loaded (TEU = Twenty Foot Length Equivalent Unit)	/ TEU	322.10
Containers - Empty	/ TEU	260.80
Pallets Returned Empty	/ m3	6.90
All Other Cargo	max of m3 or tonne	6.90
Cargo Brought in for Shipping and Leaving Port Other than by Ship/Barge	max of m3 or tonne	50% of wharfage, stockpile & resource management charges
Cargo Wharf Crane Hire -	/ hour / crane	337.50
Cargo Wharf Crane Hire - Minimum Charge	minimum	84.40
LONG TERM STORAGE OF CARGO	unit	
Richmond Quay Stockpile Area 1st 6 weeks per shipment	max of m3 or tonne / month	free
Richmond Quay Stockpile Area Next 1-3 months	max of m3 or tonne / month	0.30

Richmond Quay Stockpile Area Next 4-6 months	<i>max of m3 or tonne / month</i>	0.70
Richmond Quay Stockpile Area Over 6 months After Free Period	<i>max of m3 or tonne / month</i>	0.90
Cargo Shed : less than 100 m2	<i>/ m2 / month</i>	13.00
Cargo Shed : 100 m2 or more	<i>/ m2 / month</i>	10.10
Rental of Port Operational Land Occupied by Containers, Storage etc	<i>/ m2 / year</i>	25.30

RECREATIONAL / COMMERCIAL TOUR & CHARTER VESSELS BERTHS & MOORINGS

Swing Mooring Site	<i>/ week</i>	13.80
Pile Mooring	<i>/ week</i>	22.00
Annual Berthage at Wharf-Paid 6 months in Advance-Incl. Electricity & Water	<i>/metre length overall / year</i>	168.40
Daily Berthage at Wharf - Includes Electricity & Water	<i>/metre length overall / day</i>	2.60

SLIPWAY

Haulage (up / down) single cradle *	<i>up / down</i>	765.10
Haulage (one way only) single cradle*	<i>one way</i>	459.30
Haulage (up / down) tandem cradle*	<i>up / down</i>	1,530.10
Haulage (one way only) tandem cradle*	<i>one way</i>	918.60

** above charges include 5 days applicable cradle charge*

Daily Cradle Charge - single cradle -	<i>/ day</i>	112.70
Daily Cradle Charge - tandem cradle	<i>/ day</i>	225.40
Site Charge for Sandblasting	<i>/ day</i>	219.80
Long Term Hard Stand When Vessel is Removed from Cradle	<i>/ week</i>	63.40

ELECTRICITY AND WATER

Electricity Connection Fee	/ connection	32.50
Electricity Supply Charge	/ kwh	1.00
Labour to Connect Electricity	/ hour	65.10
Labour to Connect Electricity	minimum	32.50
Water Connection Fee	/ connection	20.40
Water Supply Charge	/m3	1.40
Labour to Connect Water	/ hour	65.10
Labour to Connect Water	minimum	32.50